

Put your money in unit trusts, says Najib

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PUTRAJAYA: With the economy growing steadily, this is the best time to invest in unit trusts, Deputy Prime Minister Datuk Seri Najib Razak said yesterday.

"It is an investment with minimum risk, and economic expansion and the good performance of companies will result in higher dividends for investors.

"I am not saying we should not invest in the share market because that is the individual's decision, but for small-time players, it is better that they invest in unit trusts."

Najib was speaking after laun-

ching the Perbadanan Nasional Bhd (PNB) 2007 investment quiz at the Putrajaya Corporation complex here.

Also present were PNB chairman Tan Sri Ahmad Sarji Abdul Hamid and its president and chief executive officer, Tan Sri Hamad Kama Piah Che Othman.

Najib said the economy was getting stronger and more stable.

"Last year's gross domestic product (GDP) increased to 5.9 per cent from 5.2 per cent the previous year.

"The country's GDP is expected to remain firm at six per cent while the inflation rate is expected to go down to three per cent this year."

The Kuala Lumpur Composite Index reached 1,283.47 points on Feb 23, its highest in 10 years.

"All this clearly shows how strong our economy is. We should grab the opportunity to strategise our financial planning so we will not be left behind in making a positive and meaningful investment."

Najib also touched on the need for public awareness programmes to teach credit card holders how to manage their personal finances and not spend beyond their means.

In 2005, he said, 16,000 bankruptcy cases were filed, of which eight per cent were against those below the age of 30.

High-income earners who overspent with their credit cards could also land themselves in trouble.

"The more you educate the people, the better. Some of the financial institutions can also sponsor similar programmes."

Najib said it was normal for banks or financial institutions to offer credit card facilities but it was up to the individual to use them wisely.

"Credit cards are like double-edged swords, like the Internet. It is a facility given but if we are not smart enough to use it, then it can become a burden to us."