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## Ensuring economic well-being of the people

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At the Asia Pacific Economic Cooperation (Apec) economic leaders' meeting in Lima, Peru, in November last year, for example, Najib renewed Malaysia's call to create a monetary facility within Asia to help countries which have short-term balance of payment and liquidity problems.

"This is not a new idea, but perhaps the seriousness of the current crisis should lead to further conversations and discussions on the idea of creating an Asia Monetary Fund. We need to address this issue quickly and urgently so that Asia can better deal with the crisis of confidence affecting markets and financial institutions in Europe and the US," he said.

Malaysia first came up with the idea of a fund that is separate from the International Monetary Fund (IMF) a decade ago during the 1997/98 Asian financial crisis.

Najib also called on Association of Southeast Asian Nations governments to create and support growth opportunities throughout the region to offset the slack in global consumption and investment.

"Asean countries must seek

to commit more resources in each other's countries. The more member countries have a stake in each other's prosperity, the stronger will be the bond between member countries."

Najib said facilitating higher levels of business activities through improved infrastructure networks and facilities would attract external investment, lead to the opening of more areas and ensure balanced distribution of economic wealth throughout the region.

At the finance ministers of Asean, China, Japan and South Korea (Asean+3) meeting in Phuket, Thailand in February, an agreement was reached to increase the total size of a regional swap arrangement called the Multilateralised Chiang Mai Initiative (CMIM) from US\$80 billion to US\$120 billion (RM291 billion to RM437 billion).

For a while, there were concerns that the ministers would not be able to come up with such a strong, committed response to the crisis. Some countries were said to be against contributing more to the CMIM, but insiders said Najib made a strong impression at the meeting and successfully pushed for stronger wording in their joint statement.

In the meantime, the global economy continued to deteriorate further, and the worsening external situation adversely

affected Malaysia's economy. Exports and industrial production fell to record lows and news of retrenchments began to feature regularly in the news.

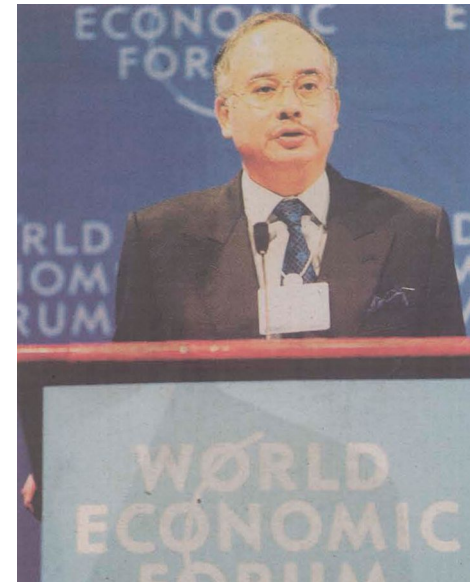
The government thus began preparing for a second stimulus package that it-said would be bigger and more comprehensive than the first. It was also referred to as a mini-Budget.

This process showed another interesting facet of Najib as finance minister where he chose to gather feedback directly from the people. Through his personal blog, he urged readers to give suggestions on what they would like to see in the next stimulus package.

By early last month, the finance minister received more than 500 comments and emails. Most of these covered a wide range of issues such as taxes and subsidies, fuel and energy, automotive and housing, finance, unemployment, and implementation and monitoring.

"These suggestions provided me some guidance on the issues that matter most to you, the rakyat. As the minister of finance, this blog is one avenue through which I am able to reach out and engage all Malaysians from various backgrounds," Najib wrote.

On March 10, the finance minister announced a second stimulus package of RM60 billion.



Datuk Seri Najib Razak giving a speech at the East Asia Economic Forum about the education system in Malaysia.

the biggest in Malaysia's history.

"Some may say this is too much. But with our low foreign debt, large international reserves and ample banking sector

liquidity, we have the capacity to fund it. Given the magnitude of the still evolving global crisis, I am convinced the risk isn't that

we do too much, but that we don't do enough.

"We know that ultimately, the world will recover and normal trade levels will resume. When it does, we want Malaysia to be best positioned to take advantage of that recovery," Najib wrote in the *Wall Street Journal* recently.

“THE GOVERNMENT IS CONFIDENT THAT THE NATION'S FISCAL POLICY CONTINUES TO HAVE THE FLEXIBILITY AND CAPACITY TO ACCOMMODATE THE HIGHER DEFICIT, AS THIS INCREASE IS TEMPORARY.”

— WHEN TABLING THE RM60 BILLION MINI BUDGET.



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Participants of the special Asean + 3 Finance Ministers' Meeting posing for a group photo in Phuket in February.