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PRIME NEWS

New panel to look into fiscal targets

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REDUCING DEFICIT:

Najib says it reflects govt's seriousness in managing finances

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THE government will set up a fiscal policy committee to further reduce the country's deficit, manage fiscal sustainability and strengthen public finances.

Prime Minister Datuk Seri Najib Razak, in his opening speech at the 2014 Budget consultation sessions yesterday, also announced the tabling of the 2014 Budget in Parliament on Oct 25.

Najib, who is also finance minister, said he would head the committee comprising ministers and heads of department.

"This committee will be served by a fiscal policy office at the Treasury. This is to underline the seriousness in terms of managing our fiscal position and reducing fiscal deficit."

Najib added that the govern-

ment was on track in reducing the fiscal deficit from 4.5 per cent of the gross domestic product (GDP) last year to four per cent this year.

"Our aim is to meet the medium-term fiscal target of around three per cent of GDP by 2015 without jeopardising the growth momentum of the domestic economy and ongoing fiscal support for transformation initiatives.

"This will be achieved through a judicious mix of prudent but productive spending and strengthening of revenue enhancement measures, which include better tax returns and enforcement by the Inland Revenue Board."

Present were Second Finance Minister Datuk Seri Ahmad Husni Mohamad Hanadzlah, Deputy Finance Minister Datuk Ahmad Maslan, Chief Secretary to the Government Tan Sri Dr Ali Hamsa and Treasury secretary-general Tan Sri Dr Mohd Irwan Serigar Abdullah.

On the 2014 Budget, Najib said the Finance Ministry had received 96 memorandums covering a wide spectrum of macro, sectoral and social issues for consideration.

"Nevertheless, the consultation is a continuous process to be followed by a series of focus group meetings in the coming months."

To boost the country's economy, Najib said the government had



Prime Minister Datuk Seri Najib Razak speaking during the opening of the 2014 Budget consultation sessions in Putrajaya yesterday. Bernama pic

undertaken initiatives to enhance the business environment.

Such efforts, he added, had received global recognition as reflected by Malaysia's ranking, which moved to the 12th position from the 14th in the 2013 World Bank's Doing Business Report.

The AT Kearney's Foreign Direct Investment Confidence Index for Malaysia has also improved significantly, from the 21st position to the 10th.

Najib said as an active trading nation, Malaysia was bound to be affected by the current moderating global economic growth.

However, he said, the country's economy still grew by 4.1 per cent

in the first quarter of this year, supported by resilient domestic demand, particularly as a result of continuous strong private investment, which registered double-digit growth of 10.9 per cent.

"The strong investors' confidence was reflected by the bullish performance of the FTSE Bursa Malaysia Kuala Lumpur Composite Index, which recorded new highs after the 13th General Election."

Najib also described the 2014 Budget to be of great significance to the government, which had been given a new mandate to fulfil the aspirations of the people.

"Thus, I believe we have to be relentless in our efforts in accel-

erating the transformation process towards becoming a developed and high-income nation by 2020, though the progress has been commendable. In this regard, we must work together as a team in the spirit of 1Malaysia to generate greater prosperity and enhance the well-being of the rakyat."

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