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On target for more than 5pc growth

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KUALA LUMPUR: Datuk Seri Najib Razak is confident that the nation's economic growth will be maintained in the second quarter of the year.

The prime minister said this was driven by vibrant domestic activities and competitive strength of the export sector in the first quarter, coupled by impressive global economic growth.

"The government is confident that the momentum of economic growth will enable the country to achieve its target of more than five per cent growth this year.

"This is also in line with the 5.2 per cent forecast by the International Monetary Fund for this year," he said, during a question-and-answer session in Parliament yesterday.

Najib, who is also finance minister, was answering questions from Datuk Shamsul Anuar Nasarah (BN-Lenggong) who wanted to know about the country's latest economic performance and how it was faring against its neighbours.

The country's economy showed encouraging trend in the first quarter of the year, with Gross Domestic Product (GDP) registering growth of 6.2 per cent against 4.2 per cent in the same period last year.

He added that this was the highest GDP growth recorded since the fourth quarter of 2012.

"This achievement is better than the Philippines (5.7 per cent), Indonesia (5.2 per cent), Singapore (5.1



Prime Minister Datuk Seri Najib Razak arriving for the question-and-answer session in Parliament yesterday. He is accompanied by Deputy Finance Minister **Datuk Ahmad Maslan** (left). Pic by Effendy Rashid

per cent) and Thailand (-0.6 per cent). It is also supported by robust domestic activities and favourable external factors."

In the first quarter of this year, Najib said private investments had grown by 16.7 per cent to RM44.4 billion, accounting for 66.5 per cent of total investments.

Based on the Foreign Direct Investment Confidence Index issued by global management consulting firm A.T. Kearney, Malaysia was ranked in 15th place compared with 25 last year, he said.

He said the confidence was also reflected in the highest increase of Foreign Direct Investment of RM38.2 billion last year compared with RM28.5 billion in 2012.

In addition, Malaysia's total trade

had grown strongly by 8.3 per cent to RM349.4 billion in the first quarter of the year compared with RM322.6 billion, or 1.4 per cent, last year, driven by a 10.8 per cent increase in exports.

To another question on vibrancy factors in private and foreign investment, Najib said this was driven by political stability and investor-friendly government policies.

"The transformation programmes by the government since 2009 have also contributed to a greater confidence level of investors, apart from high level of domestic savings, strong international reserves, resilient banking system, low unemployment and inflow of rapid foreign investments."

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