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# PM plans budget tweaks

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Amendments necessary due to global economic developments

**PUTRAJAYA:** Adjustments will be made to Budget 2016 due to developments in the global economic conditions, said the Prime Minister.

Datuk Seri Najib Tun Razak said the amendments were necessary because several changes had taken place since the budget was tabled in October.

Among these were the slide in global oil and commodity prices, the strengthening of the US dollar and the shrinking of major economies such as China.

"I plan to table several adjustments to the 2016 Budget. Certain aspects will need to be recalibrated to make them more realistic and accurate," Najib said.

However, he did not give details of the adjustments or say when these would be tabled in the Dewan Rakyat, only that it would be done soon.

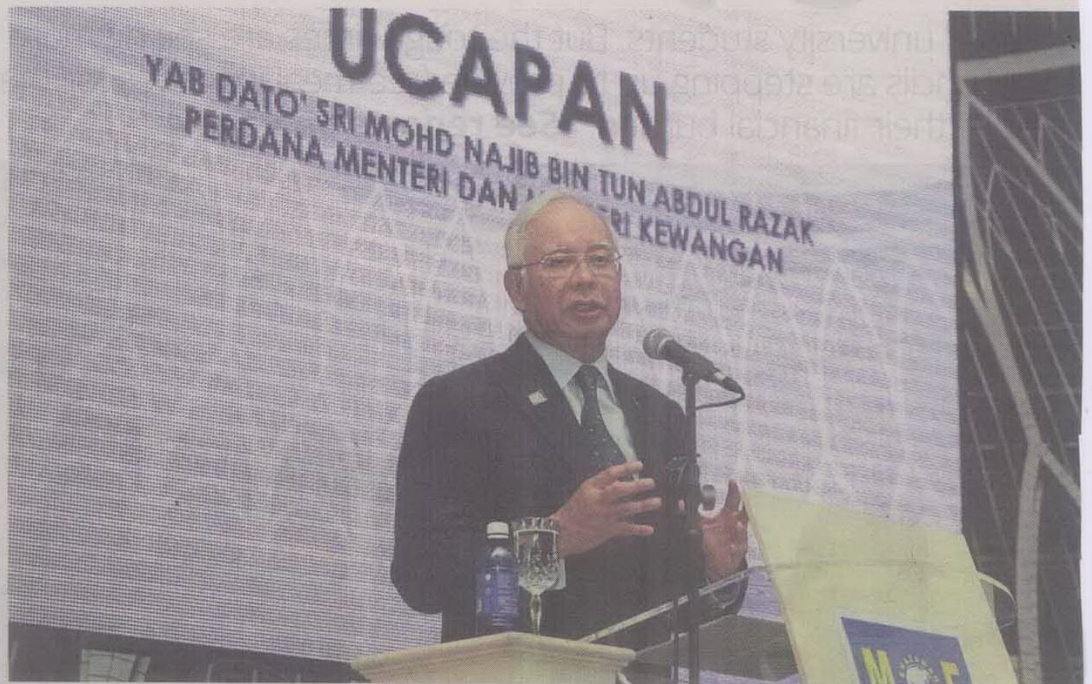
He was making a special address to Finance Ministry staff yesterday.

Sources familiar with the process said the changes must be presented to the Cabinet for approval before being tabled in Parliament.

Najib said he also intended to present other measures aimed at weathering the economic storm, including ensuring that money would be well spent and that expenditures were made according to priority.

He said the Government intended to relook its priorities so that whatever it spent on would have the greatest benefit for the people and nation.

"Our aim remains the same. The rakyat's wellbeing and interests must continue to be looked after," he said.



**Focused:** Najib delivering his address at a special gathering with Finance Ministry staff in Putrajaya.

The people must also be responsive and take firm action to overcome the challenges, such as better managing resources and expenditure, he said.

Najib said the Government was confident that the economy would remain stable this year despite the challenges facing the country.

He said Gross Domestic Product (GDP) growth was projected to be between 4% and 5% while inflation was expected to be in the 2% to 3% range.

Also, the Government was committed to reducing the fiscal deficit to 3.1% of the GDP while national debt would remain manageable at 55%, he said.

Looking back at last year, Najib said the economy remained sound and there was a 5.1% growth in GDP in the first nine months despite the global downturn.

He said this year would be more challenging with the economic slowdown in China, Malaysia's largest trading partner, and further slides in global demand.

Falling oil prices was another cause for concern, according to him.

He said that when the projections were made for the nation's 2016 economic growth, the average price for Brent crude oil was US\$48 per barrel.

"On Thursday, the price was US\$31 per barrel," he said.

"This is why we need adjustments to the Budget and must come up with the best, most effective measures to ensure economic sustainability."