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ICT will keep economic growth on track, says Najib

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PUTRAJAYA: An ICT-driven domestic economy can help keep things on track in 2017, which will be a challenging year, says Datuk Seri Najib Tun Razak.

Speaking at the Budget 2017 consultation council meeting here yesterday, the Prime Minister said Malaysia's fiscal position remained strong despite the difficulties.

"We have made significant strides but these achievements do not mean that we can rest on our laurels.

"In its latest World Economic Outlook, the IMF forecasts that 2017

will be an equally challenging year. Global growth is expected to improve only marginally from 3.2% in 2016 to 3.5%.

"So in order for the Malaysian economy to remain on track, we have to depend on the domestic economy.

"This is why I believe we must fully embrace the opportunities brought about by information and communication technology," he added.

Najib, who is the Finance Minister, said the transformative power of science and technology must also be leveraged on to instil the spirit of innovation and creativity among local entrepreneurs.

"There is talk about the Fourth Industrial Revolution which depicts digital revolution and is characterised by a cyber-physical system.

"The revolution is enabled by the popularisation of mobile devices, unprecedented processing power, storage capacity and access to knowledge. We need to capitalise on the digital and sharing economy that is becoming more important.

"These efforts will enable us to strengthen our growth momentum and be ready when the global economy fully recovers," he added.

Najib said the country registered 4.2% growth in the first quarter of the year despite lower oil prices and

a weak economy, attributing this to strong private investment and consumption, among others.

Foreign direct investments in the first quarter totalled RM15bil, up from RM9.9bil over the same period last year.

"This is a testament to investor confidence in Malaysia," he said, adding that the Government was aiming to lower the fiscal deficit to 3.1% this year from 3.2% in 2015.

With 2020 looming, Najib said Malaysia must increase its productivity and attract foreign talent if it wanted to achieve high-income nation status.

On Budget 2017, Najib said more than 90 institutions had forwarded

suggestions covering macro, sectoral and social issues.

"Every issue that is raised will be scrutinised and discussed at the meeting of the Budget 2017 focus group soon," he said.

The theme for this year's Budget consultation is "Accelerating Growth, Ensuring Fiscal Prudence, Enhancing Well-Being of the Rakyat".

Also present at the meeting were Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah, Treasury secretary-general Tan Sri Dr Mohd Irwan Serigar, Chief Secretary to the Government Tan Sri Dr Ali Hamsa and Bank Negara Governor Datuk Muhammad Ibrahim.