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PM: Govt being proactive

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Budget 2016 is being recalibrated to ease pressure on economy

By MAZWIN NIK ANIS

mazwin@thestar.com.my

PUTRAJAYA: Recalibrating Budget 2016 is a proactive measure by the Government to ease the pressure on the economy caused by the fall of oil prices and to ensure that the people are not burdened by it, said the Prime Minister.

"We made a stand to take early measures. The Government is being proactive as we don't want the (economic) situation to overtake us.

"We want to be able to take appropriate measures to reduce any negative impact it might have on the economy and on the welfare of the people," Najib told pressmen at his office yesterday.

One of the things the Government needed to ensure when making the adjustments was that the market would react positively to the changes, he added.

"Secondly, we must ensure that the demands and expectations of the rakyat are tackled," said Najib.

Last week, the Prime Minister had announced that adjustments would be made to the Budget 2016 due to the developments in the global economy, adding that the changes were necessary.

Among the developments were the slide in global oil and commodity prices, the strengthening of the US dollar and the shrinking of major economies.

The recalibrated budget will be presented on Jan 28.

Earlier, Najib chaired separate meetings with economic analysts, representatives from the private sector and captains of industry as well as with members of the special economic committee.

He said feedback on the adjustments was positive, adding that meetings with the different groups



Think tank: Najib sharing some thoughts with members of a special economic committee (JKE) after chairing the meeting in Kuala Lumpur. — Bernama

allowed the Government to engage and consult with stakeholders and include their views and suggestions in making the changes.

A similar session with consumer groups and government-linked companies would be held so that they were also on board in this process, he said.

Najib listed some of the issues discussed, including fiscal and monetary policies, government revenue, how to ensure that every operating

and development expenditure would be well spent and have great impact to the country and the people.

"We also discussed the need to identify new priorities, cost of living, unemployment, commodity prices and several considerations that can be looked into that can bring benefit to the Government's coffers. At the same time, we must also boost the people's wellbeing and resolve problems affecting

them," he added.

He however declined to reveal if the recalibration of the budget would spell cuts in government spending, saying he would explain it when presenting the adjustments.

"We will come to that point on the 28th (of January). It cannot be seen in isolation, the whole thing has got to be considered as a total policy package by the Government," said Najib.