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PM: Revised budget to ensure growth

Measures also meant to protect people's welfare

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PUTRAJAYA: The Government's recalibrated Budget 2016 reinforces its pledge to look after the people in times of economic challenges.

The adjustments – reflected in 11 measures to be undertaken – largely serve to cushion the impact of the increase in the cost of living.

In presenting the adjustments yesterday, the Prime Minister said the recalibration and restructuring of Budget 2016 centred on the need to ensure the economy remained on a strong growth trajectory and to protect and safeguard the welfare and wellbeing of the people.

“These measures are proactive, transparent and realistic, in tandem with the current global economic challenges,” Datuk Seri Najib Tun Razak said in his 46-minute address to a packed audience comprising ministers, senior civil servants, economic stakeholders, foreign missions and representatives of non-governmental organisations.

Also present were Deputy Prime Minister Datuk Seri Dr Ahmad Zahid Hamidi, Second Finance



Minister Datuk Seri Ahmad Husni Hanadzlah, Chief Secretary to the Government Tan Sri Dr Ali Hamsa, Treasury secretary-general Tan Sri Dr Irwan Serigar Abdullah and Bank Negara Governor Tan Sri Dr Zeti Akhtar Aziz.

Najib said the recalibration was within the range of initiatives and allocation of the Budget approved by Parliament last year, and emphasised that Malaysia was neither in economic nor technical recession.

He noted that other countries were also affected by the slowdown, with world trade anticipated to be moderate from 4.1% to 3.4% and economies such as the United States, Brazil and China expected to grow at a slower pace.

“This trend proves that we are not alone in facing the global economic challenges. Other countries too, are affected by the uncertainties,” he said, adding the drastic decline in world crude oil prices had a significant effect on the nation's revenue.

The strengthening of the US dollar also affected the economy and the ringgit, which depreciated by 11.3% from RM3.77 in June last year to RM4.25 as of Wednesday, said Najib.

Other currencies also affected are Brazil's Real which depreciated by 23.2%, China's yuan (-5.7%), Canadian dollar (-11.3%), Russian ruble (-29.3%) and Singapore dollar (-5.6%) against the US greenback.

“In fact, the ringgit is undervalued and does not reflect the true economic fundamentals. However, the ringgit is expected to better reflect the strength of the economy when the global financial market stabilises and oil prices recover to more reasonable levels,” said the Prime Minister.