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'Digital economy can spur growth'

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NEW SKILLS: It can boost nation's progress, says Najib

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MALAYSIA must fortify its economy against challenges facing the world's markets, said Prime Minister Datuk Seri Najib Razak.

"We must leverage the transformative power of science and technology, and instil the spirit of innovation and creativity in our entrepreneurs to further energise the domestic economy," Najib said after chairing the 2017 Budget Consultative Council meeting at the Treasury yesterday.

He also said there was a need to capitalise on the digital and sharing economy, which had been termed the Fourth Industrial Revolution.

"(Capitalising on the digital economy) will enable us to strengthen our growth momentum, and be ready when the global economy fully recovers."

Najib said in line with efforts to become a high-income nation by 2020, the government would in-

crease productivity by providing opportunities for people to learn new skills, attracting foreign talent and encourage women to excel at the workplace.

He said despite the global economic uncertainty, Malaysia's economy registered a 4.2 per cent growth in the first quarter of this year, which was spurred by domestic consumption and investment.

During the closed-door meeting, participants shared their views on how best the government could, via the 2017 Budget, balance between promoting growth and ensuring fiscal sustainability.

Najib said the government had received memoranda from 90 institutions on macro, sectoral and social issues, and that a focus group would meet and deliberate on the suggestions for this year's budget.

Najib said the government had taken measures to keep the nation's economy moving forward.

"We established the National Export Council in December 2014 to boost our competitiveness and steer export growth.

"In fact, we had an important meeting two days ago where important decisions were made.

"We formed the Special Economic Committee in August last year, and we have engaged with leaders and experts from across society to help



Prime Minister Datuk Seri Najib Razak attending the 2017 Budget Consultative Council meeting in Putrajaya yesterday. With him is Media Prima Bhd chairman **Datuk Seri FD Iskandar** (second from right). Pic by Mohd Fadli Hamzah

guide our direction."

Najib also described the Goods and Services Tax as the saviour of the economy. He said the government's decision to recalibrate the 2016 Budget had ensured that the

economy remained on track.

Najib said the government remained committed to ensuring its fiscal position remained strong.

"The fiscal deficit was 6.7 per cent of GDP in 2009.

"Since then, we have consistently reduced it year by year, and last year, it stood at 3.2 per cent.

"Our target this year is 3.1 per cent, with the aim of achieving a balanced budget by 2020."