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PM: MALAYSIA UNLIKELY TO GO BANKRUPT

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International reserves amount to RM430 billion, says Najib

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THE country is unlikely to become bankrupt as its current international reserves amount to RM429.76 billion, Prime Minister Datuk Seri Najib Razak said.

He said international rating agency Standard & Poor's had rated Malaysia strongly with an "A-".

He said Malaysia was in better financial stature and management than many other countries.

He said even with foreign exchange (forex) losses in the past, as revealed in the ongoing Royal Commission of Inquiry (RCI) on Bank Negara Malaysia's (BNM) forex losses in the 1990s, Malaysia continued to be out of any possibility of bankruptcy.

"In 1997, we suffered losses of half of our international reserves, but we did not go bankrupt.

"Our current international re-



Prime Minister Datuk Seri Najib Razak, who is also Umno president, receiving a souvenir from Johor Umno division chief Tan Sri Shahrir Abdul Samad (third from left) at the opening of the Johor Baru Umno division delegates' meeting yesterday. With them is Johor Umno liaison committee chairman Datuk Seri Mohamed Khaled Nordin (third from right). PIC BY MOHD AZREN JAMALUDIN

serves stand at more than RM400 billion, so how can we go bankrupt? It does not make sense.

"Our financial rating is A-, and there are not many countries with such a rating," he said when opening the Johor Baru Umno division delegates' meeting here yesterday.

Najib, who is also finance min-

ister, compared Malaysia's strong financial position today with that of the period when the forex losses were recorded by BNM.

He said the ongoing RCI revealed that international reserves losses were between RM31 billion and RM33 billion, which was half of the RM60 billion in international reserves in the 1990s.

"Our country is on the right track. If people say that our country is bankrupt, that is something unsubstantiated."

Najib said the opposition was creating a perception that the country could go bankrupt to erode the public confidence in the government.

He said this could be seen when the opposition resorted to the

psychological warfare tactic of "if you cannot convince them, confuse them".

"The politics of today is about perception and not reality. They (the opposition) do not need to prove anything based on reality.

"As long as they manage to create doubts towards the government, that's enough.

"Many people do not know about it... As a party which forms the government, we must explain the correct narrative even if we have to repeat it.

"We must repeatedly drive home the point that Malaysia is on a strong economic path, which will allow the government to bring transformation for the people's wellbeing," he said.

Since December last year, Standard & Poor's has attributed the underpinnings in Malaysia's "A-" rating as strong, as they were supported by asset holdings of both the government as well as the financial sector.

Najib said the government's success in implementing world-class projects within the stipulated costs as seen in the Mass Rapid Transit in the Klang Valley, and Malaysia's 5.8 per cent growth rate in the second quarter of this year, proved that the government had delivered on its pledges.