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ECONOMY

PM: Financial position to strengthen

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PUTRAJAYA: All indicators show Malaysia's financial position is on track to strengthen this year, says Prime Minister Datuk Seri Najib Razak.

This, he said yesterday, was due to positive developments, such as stronger prices of crude oil, palm oil and rubber.

A stronger financial position would allow the government to carry out more people-centric programmes, he assured the Finance Ministry's staff at its monthly gathering here yesterday.

Najib said with the country's strong fundamentals and good fiscal and financial policies, the country could secure between 4.5 per cent and five per cent economic growth.

Against the backdrop of a challenging global economic outlook, Najib did not downplay the challenges ahead.

"Malaysia has its share of domes-

tic risks, including a shrinking current account surplus, depreciation of the ringgit, increase in household debt to gross domestic product (GDP), as well as the rising cost of living."

Present were Treasury Secretary-General Tan Sri Dr Mohd Irwan Serigar Abdullah and Deputy Finance Ministry Datuk Lee Chee Leong.

Despite uncertain external factors, Najib said he remained upbeat.

"In the first nine months of last year, Malaysia recorded 4.2 per cent GDP growth.

"Based on this, the economic growth projection of between four per cent and 4.5 per cent for 2016 can be achieved.

"On fiscal management, it is apparent that the government's relentless efforts to raise revenue and optimise expenditure has yielded promising results.

"We believe the fiscal target of 3.1

per cent from the GDP for 2016 can be secured."

Najib also praised the ministry for its performance last year, as many new programmes were implemented and existing ones were strengthened.

"In the context of the National Blue Ocean Strategy (NBOS), 104 NBOS initiatives were executed.

"Eight more UTCs (urban transformation centre) were built in Sungai Petani, Labuan, Miri, Sibul, Terengganu, Tawau, Keningau and Kota Baru. There are now 18 UTCs in the country."

Malaysia also strengthened its position in the global Islamic finance sector, following its success in issuing global sukuk worth US\$1.5 billion (RM6.6 billion) in April last year, which was oversubscribed 4.2 times.

"These successes are proof of our ability to manage the country's economy and finances well."