

Budget 2012 Set To See Efforts To Increase Confidence
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KUALA LUMPUR, Sept 26 (Bernama) -- The 2012 Budget is expected to see efforts to increase confidence to offset the decline in export demand, said RAM Holdings Bhd chief economist, Dr Yeah Kim Leng.

He also expected the budget to be people-friendly, shift towards domestic demand and encourage purchasing of homes.

"I think the key challenge is how to balance it against the slowing external economy where Malaysia would likely be impacted because of the global slowdown.

"So, at this time, I don't think there will be a dampener on consumer confidence, in terms of their purchases.

"Spending will be capped to ensure that domestic industries and the economy continue to grow," Yeah said at the REHDA Property Updates First Half 2011 here Monday.

Yeah said there was a need for a bold policy to stimulate private investment as there were complaints about the restrictive business operating environment.

"We have to look at it closely, to see how we can facilitate a better and improving operating environment for business.

"One of the key areas is to see to what extent some of these old legacies or policies can be removed," he said.

He said that investment, though below expectation in the first half of this year, was projected to rise strongly in the second half of this year and in 2012 as a result of more focused efforts by the government to raise the decade-long low investment level.

Yeah said RAM expected monetary tightening to continue at a gradual pace despite easing consumer and asset price pressures, particularly for several property segments in selected locations, and surplus liquidity in the financial system.

He said selective macro-prudential measures targeted at averting the build-up of credit and asset bubbles would continue at a prudent pace.

"Further tightening measures are likely to be kept on hold for the rest of this year to brace for global uncertainties that are expected to last through the remaining period of this year," he said.

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