

**2012 Budget Shows Malaysia Has A Prudent Fiscal Policy, Says Husni
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KUALA LUMPUR, Oct 7 (Bernama) -- The government's aim to reduce its deficit in 2012, is a clear message to the world that Malaysia is in the midst of implementing a prudent fiscal policy, Second Finance Minister Datuk Seri Husni Hanadzlah said.

The Federal government aims to improve its deficit in 2012 to 4.7 per cent of Gross Domestic Product (GDP) compared with the 5.4 per cent in 2011, Prime Minister Datuk Seri Najib Tun Razak said during the tabling of the 2012 Budget, here today.

Husni said for the country to attract more foreign investments, Malaysia must obtain a high rating in the eyes of the world and which can be enhanced if the deficit is improved.

"We must always understand that we need both domestic and foreign investment to spur the country's economy," he said when met at Parliament.

On the one-year budget, Husni said it was an inclusive and comprehensive plan, set to transform the lives of all Malaysians.

He added that the government has identified several fast-growing sectors which also need more assistance, such as tourism and small and medium enterprises (SMEs).

"For example, the incentives the Prime Minister proposed for the opening of four and five-star hotels will enhance the tourism sector, which has a huge potential in terms of contribution to the country's economy," Husni said.

On SMEs, he said the Prime Minister and the government have seen the immense contribution the segment has made towards the country's economy and thus, the incentives announced are not a surprise.

"The SME business activities contributed some 30 per cent to Malaysia's GDP last year.

"The main problem facing SMEs now is the low amount of loans available for them in banks, especially at the SME Bank.

"Hopefully, the perks announced in the 2012 Budget, will enhance the participation of the SMEs and reduce their operational costs," Husni said.

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