

Najib Cautiously Optimistic Over Malaysia's Economic Outlook
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KUALA LUMPUR, June 12 (Bernama) -- Prime Minister Datuk Seri Najib Tun Razak is cautiously optimistic over Malaysia's economic outlook in the later part of this year and in 2013.

He said the country's economy is resilient, especially since the government had implemented reforms through the Government Transformation Programme (GTP) and the Economic Transformation Programme (ETP), but there were downside risks to the global economy which should be heeded.

Najib said this when asked for his views on Malaysia's economic outlook for the two periods during an online chat with the public via NSTLive today.

Asked if there would be a second 1Malaysia People's Aid (BR1M) handout for deserving Malaysians and if it would be more than RM500, Najib said: "I will be looking at the government's cashflow soon to decide if we can afford a second BR1M whilst ensuring fiscal discipline."

Najib, who is also the Finance Minister, stressed that the government is the people's government, which cares for their needs while maintaining fiscal responsibility.

He said there will always be something for the people when he announces the 2013 Budget to be tabled in Parliament on Sept 28.

"You have to wait for the presentation of the budget," he said, when asked if there would be any "goodies" for all sections of the population in it.

Asked if instead of spending so much on random handouts for the poor instead of long-term development such as education and healthcare, he said the government had the means to do both.

"In our feedback, we have ascertained that reducing the cost of living is a major concern of the people.

"That is why I announced it as a short-term measure. But for the long-term, we are addressing it through measures such as increasing the pay of civil servants at between seven-13 per cent, introducing the minimum wage for the private sector and creating more jobs through the ETP programme," he added.

Touching on benefits for middle-class citizens under the GTP, he said the government needs to look at some incentives, that can be considered from time to time.

Najib said the government's ability to create more wealth and provide higher paying jobs, would also benefit the middle-class together with other initiatives like housing, health programmes and an improvement in public transport.

"In the medium term, we should look at the tax structure and incentives that we can provide for the middle class," he added, in addressing a question on incentives for private sector employees, who are medium range wage earners.

Najib said this is however subject to the government's ability to restructure the revenue base for the country.

"If we can increase our sources of revenue, then we can consider a medium term reduction in personal income tax and provide more incentives," he added.

Meanwhile, Najib said the government is in the process of addressing the Digital Poverty Gap in rural Sarawak, where accessibility to the Information Highway for example, students, is limited to school IT Labs.

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