

Nation's Debt Will Not Exceed 55 Per Cent Of GDP, Says Najib
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KUALA LUMPUR, May 29 (Bernama) -- Prime Minister Datuk Seri Najib Tun Razak says the government will ensure that Malaysia's debt limit will not exceed 55 per cent of Gross Domestic Product (GDP) as part of its prudent management strategy in managing the nation's finances.

The government has also taken steps to reduce its fiscal deficit in line with its commitment to ensure further growth, he said.

"Last year, the fiscal deficit stood at 4.8 per cent of GDP versus 5.0 per cent," Najib, who is also Finance Minister, said in his keynote address at the "Invest Malaysia 2012" conference here today.

To ensure further growth in the country especially in capital market development, Najib announced five new initiatives, among which, included Bursa Malaysia being entrusted with the task of creating a new foundation, made up of key industry stakeholders, to address any growth gaps in the market.

Its specific focus would be on the growth of small-and-medium scale enterprises (SMES), marketplace innovation and the development of new and existing talents.

"To support this, the Capital Market Development Fund will be allocating a RM100 million grant for the establishment of the new foundation, which will be chaired by the Secretary-General of the Treasury," Najib said.

Najib also announced that beginning from June 1, companies participating in the 1Malaysia Training Scheme programme would be entitled to double-tax deduction incentives on allowances and training expenses they incur.

The prime minister, who is also the acting Minister of Women, Family and Community Development, announced that double tax deduction incentives would also be provided for training expenditure incurred by companies re-employing women after a career break starting 2013.

"I would also encourage leading listed corporations to disclose, in their annual reports, policies such as flexible working arrangement they have put in place to help promote and support women," he said.

The prime minister said this kind of disclosure would help disseminate best practices across corporate Malaysia and the Ministry of Women, Family and Community Development have been asked to work alongside TalentCorp, to establish new platforms for corporates to share proven practices in this regard.

On the question of competitiveness and to eliminate sticky points so that issuers, intermediaries and investors have access to an efficient, effective and facilitative marketplace, the Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah have been asked to establish and head a Capital Market Task Force. Meanwhile, the Securities Commission has been asked to embark on the establishment of a Consolidated Capital Market Compensation Fund which will consolidate the existing compensation scheme

estimated at over RM420 million.

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This initiative, to protect both investors and the general public, would also serve as a one-stop centre for investor compensation across the capital market, Najib said.

He added that all these new initiatives were the core issues that needed to be tackled in order to push for sustainable growth.

"I am determined to take tough decisions early to eliminate friction and to avoid problems further down the line - because now is the time to embark on an innovative and sustainable capital market development programme that will establish the Malaysian market as Asean's multinational marketplace of choice," he said.

Najib also said as part of the process of deeper economic integration within Asean, the Bursa Malaysia, the Singapore Exchange and the Stock Exchange of Thailand were connecting their markets via the Asean Trading Link to create a US\$1.3 trillion virtual market.

He said this bigger, stronger trading platform would ensure Bursa Malaysia was best placed to face down competition not only from technology but from across border trading, dark pools and off-market platforms.

"So none of us are standing still or taking our lot for granted. The Asian Development Bank is right to caution that the 'Asian century, through plausible, is by no means preordained' but if we carry on as we are, committed to a steady path of liberalisation and reform, I am confident that this will at least be an Asian Pacific moment," he said.

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