

**Focus On Four Main Aspects In Economic And Financial Management, Says Najib
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PUTRAJAYA, July 17 (Bernama) -- The Prime Minister today outlined four main aspects that should be given priority in managing the country's economy to ensure it does not face any financial crisis.

Datuk Seri Najib Tun Razak said most basic was to ensure expenditure does not exceed income, there should be ample operating surplus to prevent any borrowings to finance management expenses, the country's fiscal deficit should be on a progressive declining trajectory.

He said the fourth aspect was the need to have a balance between revenue base which ought to be large and the capacity to provide incentives and stimulus to certain sectors or sub-sectors.

Najib also said the question of expenditure not exceeding income was a fundamental principle which may be easy in theory but not in practice.

"There are countries, even in Europe, which have not been able to observe this basic principle," he said at the presentation of excellence service awards and Treasury special awards.

The Prime Minister said the government should continue to ensure, at all times, an operating surplus and should never borrow to finance its expenditure.

Najib, who is also Finance Minister, said if this was not kept under control, it could be early signs of the country heading for a financial crisis.

He was also thankful that the country's debt and deficit position, in recent years, has been on a progressive trajectory decline.

Najib said more taxes must be collected efficiently and, at the same time, stimulus packages must continue to be given and in some instances, taxes must be reduced.

"What's important is economic growth must be satisfactory. Even if there is no high growth, it should be satisfactory and we have set a target of between five and six per cent growth annually, that's our objective," Najib added.

The Prime Minister also said when there is growth, only then can policies to uphold social justice be carried out and social security network be expanded.

"To carry out affirmative action, we must achieve strong economic growth," he added.

Najib also reminded Treasury staff to be sensitive to their dual role of being a regulator, and ensure the country's revenue was spent prudently with maximum returns, and also that of a facilitator to the department, government agencies and the private sector.

He said the government has successfully determined a clear direction and formulated policies, and comprehensive and detailed planning and development programmes to support the country's vision and mission.

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