

**Malaysian Economy More Balanced Now With Less Reliance On FDIs, Says PM  
Bernama  
October 06, 2012**

KUALA LUMPUR, Oct 6 (Bernama) -- The Malaysian economy is more balanced now and not relying as heavily on foreign direct investments (FDIs) as in the past to sustain, especially in the midst of strong global headwinds, Prime Minister Datuk Seri Najib Tun Razak said.

During the CNBC Conversation with Najib Razak television programme, which was aired today, he said this year will not only see significant FDIs numbers but also domestic investment.

"This year will also be good...may not be as good as last year but it will be quite a strong performance in terms of foreign direct investment as well as domestic investment which is very interesting because in the past, we've relied quite heavily on foreign direct investment but now we see more in balance now," he said in the 30-minute programme which was hosted by Martin Soong.

Najib, who is also the Finance Minister, said last year was a bumper year for the domestic economy in terms of FDIs compared with the last ten years.

This strongly reflected foreign investors' confidence in Malaysia, he said.

It was a commendable performance and marvelous turnaround in difficult times especially with the country facing very strong global headwinds, he said.

Last year, FDI inflow into Malaysia increased 12.3 per cent to RM32.9 billion compared with RM29.3 billion in 2010, with the manufacturing sector accounting for 50.1 per cent of the FDI flow.

During the programme, Najib said apart from reducing the budget deficit, the government would have to be responsible by assessing and addressing basic core issues concerning the people such as cost of living, housing and education and transportation and health.

The prime minister said in a modern day democracy, serving the people was the fundamental principle of democracy.

"So as a responsible government, and a government that cares for the people, we have to address those issues. But at the same time Martin, we must be fiscally responsible. I like that.

"You know, I don't want to throw caution to the wind and I don't want to be tempted in a pre-election year or pre-election budget as I said, to just dish out as much as we could possibly do even to the point of increasing our deficit," he said.

In his Budget 2013 presentation on Sept 28, Najib said the government was committed to reduce budget deficit to four per cent next year and three per cent by 2015.

"And beyond that, I would like for us to achieve a budget surplus if possible. But I'm not going to make a firm commitment yet. I want to get to 2015 first."

Najib also pointed out that the increased tax collection last year had enabled the government to manage in giving out assistance to the people while maintaining the budget deficit at manageable level.

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