

**Malaysia Is Not In A Crisis - Najib
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PUTRAJAYA, Jan 20 (Bernama) -- Malaysia is neither in a recession nor a crisis as experienced in 1997 and 1998, and 2009 which warranted stimulus packages, Datuk Seri Najib Tun Razak said.

The prime minister said the strategies announced in a special message on measures to strengthen the country's economic resilience were proactive initiatives aimed at making the necessary adjustments following the challenging external developments which were beyond the government's control.

Hence, he said the development expenditure of RM48.5 billion provided in the 2015 Budget would be maintained and spent.

However, the operating expenditure is expected to be reduced by RM5.5 billion by reprioritising expenditure, he said.

Najib said this in a special message on the country's current economic development and financial position at the Putrajaya International Convention Centre, Tuesday.

He said projects for the people economy such as public housing, flood mitigation, water supply, electricity, and public transport infrastructure such as the Pan-Borneo Highway, MRT Line 2, LRT 3, the High-Speed Rail Kuala Lumpur-Singapore would be continued.

"In fact, in May, I will table the Eleventh Malaysia Plan (11MP) to outline the development expenditure until 2020," he said.

Najib said however, the external situation has changed lately and the country is affected as it is among the largest trading nations in the world.

As the global economic landscape has changed significantly in the past few months, he said this necessitated the government to review and clarify some of its earlier macro and fiscal assumptions.

"And at the same time we want to ensure that the development of the nation and socioeconomic welfare of the people to continue to be the main focus of the government," he said.

The prime minister said the adjustments were necessitated as the Dated Brent oil price had dropped to around US\$48 per barrel compared to US\$100 in October last year to render the 2015 Budget no longer realistic.

"However, at the forecast price of USD55 per barrel, there will be a revenue shortfall of RM13.8 billion.

"If we compare the revised figures with that of the 2015 Budget, despite the savings of RM10.7 billion from the implementation of the managed float mechanism for retail fuel prices, the government is still facing a revenue shortfall of RM8.3 billion to accommodate the budget measures," he said.

Hence, he said taking into account the revised estimates, the government is revising the fiscal deficit target to 3.2 per cent of the gross domestic product (GDP) in 2015.

"Let me stress that in our resolve, we have tried to plan, formulate, organise and find solutions in implementing every measure to our level best in the interest and needs of the people," he said.

More importantly, the government will not compromise on national development planning in enhancing the productive capacity of the economy, particularly the welfare of bottom 40 per cent of the households.

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