

Putrajaya will take steps to address Fitch concerns, Najib assures
The Malaysian Insider
July 1, 2015

Putrajaya is taking firm steps to address concerns including the country's narrowing current account surplus and smaller external liquidity ratio as raised by Fitch Ratings, says Prime Minister Datuk Seri Najib Razak.

He also assured Putrajaya would look into the possible expansion in contingent liability due to 1Malaysia Development Bhd (1MDB).

"While Malaysia is pleased with the credit ratings and upward revision of Malaysia's outlook by Fitch Ratings, we are determined to maintain our fiscal sustainability policy and have in place the most firm economic foundation for our high-income ambition," Najib said in a statement.

The international rating agency yesterday affirmed the country's long-term foreign currency rating at A- and revised upwards its outlook on the long-term issuer's default rating to stable from negative.

Najib said this positive development is indeed a firm recognition that Malaysia's economic and financial policy was on the right track and demonstrated the international marketplace's confidence in country's transformation programme.

"We are steadfast in our resolve to maintain fiscal sustainability. We are determined to meet our annual budget deficit reduction targets, reduce our budget deficit to gross domestic product from 4.8% to 3.2% this year which will lead to a balanced budget in the next five years," he said.

The prime minister said Malaysia has implemented the goods and services tax and this consumption tax broadened and stabilised the government's revenue base.

"We have also rationalised our subsidies across several subsidies, most significantly, our subsidy for oil.

"The net position in the government's revenue will be used to improve the public's welfare and economic prospects," Najib added. – Bernama, July 1, 2015.

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