

Prime Minister's New Year Message
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KUALA LUMPUR, Dec 31 (Bernama) -- Following is the Prime Minister, Datuk Seri Najib Tun Razak's new year message.

Twelve months ago, Malaysia was confidently preparing to take a bigger role on the world stage as a member of the UN Security Council and as chair of ASEAN in a momentous year for our ten-nation association. I said then that I wanted us to work together to build a safer, more prosperous, and more equal society.

During the year, the government has not ceased efforts towards realising those objectives, and we should be proud, as Malaysians, of all that were achieved in 2015.

We have led our region to a historic turning point - the establishment of the ASEAN Economic Community, which marks the beginning of a new era for our combined population of 625 million people. The remarkable prospect and prize lies before us of ASEAN becoming the fourth largest economy globally.

We hosted world leaders in Kuala Lumpur as ASEAN and the United States announced a new strategic partnership, while our ties with China have never been stronger.

Our leadership internationally, as a stable and tolerant country, as a responsible actor on the global stage and a key partner in the fight against extremism, has been praised.

Despite challenging global economic headwinds, the World Bank has commended us for keeping our macroeconomic policies strong. In 2016, we expect our economy to expand between 4 and 5 percent, driven by private investment and consumption.

This year Malaysia was ranked against 70 other Muslim countries in the Global Islamic Economy Indicator - and we were awarded first place. We were also 18th - up two places - in the World Economic Forum's Global Competitiveness Report for 2015. And the international ratings agencies maintained and even upgraded their positive gradings for Malaysia.

At a time of global financial volatility, the government has taken the tough but necessary decisions to protect our people and ensure their future. The National Transformation Programme and the Eleventh Malaysia Plan are keeping us on course to become a high-income status nation by 2020.

But 2015 has also been a year unprecedented in the challenges that have faced our country, both at home and overseas.

Malaysia was not alone in being affected by the drop in oil prices. But as one of the few net oil-exporting countries in East Asia, this impacted our finances more than most. Every US

dollar off the price per barrel means a 300 million ringgit drop in our government's revenue.

Likewise, the slowdown in the Chinese economy was felt by many nations. But China is our biggest trading partner, so this has hit us harder than others.

We began the year with some of the worst floods in our history. Tragically, 18 people died in the earthquake in Sabah in June, while we were all sickened and appalled by the brutal murder of one of our countrymen, Bernard Then, by terrorists in the southern Philippines last month.

We are not free from the threat of the so-called Islamic State, and the battle against radicalisation and against those that blaspheme the name of Islam with their barbarities, must also be fought here in Malaysia, not just in the Middle East.

Faced with these challenges, the government has not looked for the easy and popular route. Instead, we have taken a position of leadership. We have asked: what is truly right for the people? The introduction of GST is an example. A new tax is rarely welcomed. But, amidst falling oil prices, if we had not had the revenue from GST, our fiscal deficit would rise from 3.1 percent to 4.8 percent for 2016.

This would cause the credit rating agencies to downgrade Malaysia, which would result in higher interest rates; investment - including from overseas - to go down; and a serious reduction in employment opportunities along with other hardships for the people.

The well-being and advancement of our people is always in our minds when we set policy. I know that there are many who have been hard hit by rising prices and worry about good jobs for themselves and for their children. This is why in the last Budget we brought taxes down for middle income families, raised the minimum wage and increased the allocation of BR1M welfare payments for those most in need.

We announced that we would build 175,000 new units of affordable housing, and 41.3 billion ringgit has been assigned to strengthen the quality of our education so that our young people are ready for the new jobs that new technologies and the changing marketplace will bring.

Infrastructure projects, such as the MRT and Pan-Borneo Highway, will increase connectivity, bring employment and new opportunities, especially for Sabah and Sarawak. And 1.4 billion ringgit has been earmarked to improve rural roads across the country. It is paramount that our development includes all.

Strengthening the resilience of the economy, managing the impact of external vulnerabilities and safeguarding the interests of the people are the government's priorities for 2016. The government will continue to review and monitor policies and programmes closely to ensure they bring clear benefits to the people. I am determined that no Malaysian

will be left behind as our country continues to grow. We have a plan, it is working and we are delivering.

At home, disagreements are natural and healthy in a democracy, and our public discourse has always been characterised by vibrant discussion. Next year, I want us to begin to talk about a post 2020 Vision, and I would invite all Malaysians to contribute to a conversation about the course we should set for the country in just a few years' time.

This year, however, some disputes have, sadly, been exploited and politicised by those with ulterior motives. The government has the mandate of the people, and it is only for the people to decide, at the ballot box according to the rules of the system we live by, who they wish to lead the nation. Until that time, it is important that we all respect the constitution, our laws and our customs; and if we differ, that should be expressed through the appropriate channels.

In particular, rather than letting the investigations into 1MDB continue, some have publicly prejudged the results based on politicised smears, leaks and incomplete information. In doing so, they have harmed Malaysia's economy and our good name abroad.

In June, I said that the challenges facing 1MDB would be resolved by the end of the year, and I am pleased to confirm that as of today the company has already entered into agreements that will see its debts reduced by approximately 40.4 billion ringgit. This figure represents the overwhelming majority of 1MDB's debt.

The most recent of these agreements, for the sale of 60 percent equity in Bandar Malaysia to a joint local and international consortium - composed of Iskandar Waterfront Holdings at 60 percent and China Railway Engineering Corporation at 40 percent - was announced on 31st December and will alone result in a debt reduction of 7.1 billion ringgit.

It is therefore clear that 1MDB's major challenges are now behind it, as I promised they would be last summer, and all that remains is for the deals it has entered into to be completed and the final steps of 1MDB's rationalisation programme to complete.

Now it is time for us to await the outcomes of the inquiries into the company; to take note of any lessons that need to be learned; and to move on together in a constructive manner.

That unity is vital, for our diversity in Malaysia is our strength. We share each others' celebrations, our joys and our sorrows. This forms our country's unique culture. But it is precious. We must take care to be respectful to one another and not purposefully inflame tensions. It is only when we all work together that we will do our best for Malaysia.

And it is only when the government and its institutions are unified and strong, and moving in one direction, that we can effectively deliver for the people.

In order to do so, we are strengthening the integrity and transparency of the pillars of our democracy. This is why the Consultative Committee on Political Funding was set up.

I urge all Malaysians, regardless of which parties they may support, to participate and to support these reforms, as their purpose is to protect the rights of all citizens, and to ensure the health and security of the democratic process that Malaysia has been proud to uphold, ever since independence in 1957.

That security is also not to be taken lightly. Some appear to underestimate the clear and present dangers that we face both internally and externally. Sadly, over 150 of our citizens have been arrested for terrorism-related activities since the formation of the so-called Islamic State. Potential attacks in Kuala Lumpur have been foiled, and our police are on high alert following the arrest of a group who were planning suicide bombings in Jakarta.

This threat must be taken seriously, and this is why the government passed the Prevention of Terrorism Act at the beginning of the year and the National Security Council Bill earlier this month. We face multiple menaces that recognise no borders, from terrorism to foreign incursions into our sovereign territory, such as at Lahad Datu in 2013. The new bill is necessary to fortify existing laws, and in no way conflicts with the liberties guaranteed by the Federal Constitution.

It will enable our security forces to control and manage threats and react at an early stage, before a situation can escalate. We will not wait for a terrorist outrage to take place before proactively putting in place all measures necessary to avert the possibility. As Prime Minister, I make no apology for placing the safety and security of all Malaysians as my foremost priority.

Our goal for 2016 remains a safer, more prosperous, and more equal society. In pursuit of that, the government will not hesitate to take the tough, necessary and right decisions - even if they are not popular - in order to protect the people from the scourges of terrorism; to protect our precious unity that safeguards our unique diversity; and to protect that bright future that is the birthright of every Malaysian, and for which I can assure you the government will always strive with every sinew.

If we can put past divisions behind us, and embrace anew what joins us together as citizens of the country we are so proud of, I am sure that 2016 can be a year in which we move confidently together, as one, towards that future.

I would like to wish all Malaysians a happy, prosperous and safe New Year.

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