

**No need for economic back-up plan for now, says Najib
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Malaysia does not need an economic contingency plan for now as the country's fundamentals are intact and the recalibrated Budget 2016 has had a positive impact on the economy.

Prime Minister Datuk Seri Najib Razak said the decision was based on global oil price developments which was the main indicator for the country's budget.

"This indicator is very sensitive to the nation's budget... if oil prices tumble consistently to below US\$30 (RM123) per barrel... not for a day or two... and if it consistently dips below US\$20 per barrel, then we will activate the contingency plan," he said in reply to a supplementary question from Datuk Wan Mohammad Khair-il Anuar Wan Ahmad (BN-Kuala Kangsar) in the Dewan Rakyat today.

Najib said oil prices were holding steady above US\$40 per barrel now, much higher than the US\$30 to US\$35 per barrel assumption used when recalibrating the 2016 Budget announced on January 28.

He also said the ringgit too had stabilised to RM4.00 per one US dollar and the government was continuing to monitor the situation.

In replying to Wan Mohammad Khair-il Anuar's original question, Najib said the recalibrated 2016 budget was more to address cash flow by reallocating funding for each development project.

"The government did not cancel or reduce the number of projects approved," Najib said, adding that the government would ensure optimization of expenditure and the implementation of high-impact project continued as scheduled despite a fall in revenue from sluggish oil prices.

On March 1, 2016, the Finance Ministry issued a guideline to all heads of department and agencies to optimise their expenditure and manage their financial resources prudently in line with the national agenda. – Bernama, March 8, 2016.

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