

**Ringgit Strengthens, Boasts Region's Top Performing Currency - Najib  
Bernama  
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KUALA LUMPUR (Bernama) -- The ringgit has begun to strengthen this year and achieved its highest level of 3.8650 against the US dollar on April 14, making it the region's top performing currency, the prime minister said.

Datuk Seri Najib Tun Razak said the ringgit increase was 11 per cent since the end of 2015, while rising commodity prices would augur well for the local unit.

He said the prices of commodities, especially crude oil are projected to increase, with the Brent, West Texas Intermediate (WTI) and Dubai Fateh expected to exceed US\$40.99 per barrel at the end of 2017 (2016: US\$34.75 barrel).

"Indirectly, this recovery is expected to have a positive effect on the ringgit as its movement follows the trend of world crude oil prices.

"The government's revenue from oil resources is expected to increase and bolster the government's fiscal position,' he told the Dewan Negara here today.

Najib was replying to a question from Senator Datuk Mariany Mohammad Yit who wanted to know the projected economic growth for 2016 and the prospects of global economic recovery on the country's sustainable economic development in 2017.

Malaysia's economy is expected to grow between 4.0 and 4.5 per cent this year on the back of the challenging economic and financial landscape, he said.

The prime minister said domestic demand, which is projected to grow 4.3 per cent this year, would continue to be the main driver of growth, supported mainly by private sector spending.

He said the external sector is expected to continue to contribute to growth through export diversification in line with moderate external demand.

Exports are expected to grow 3.2 per cent this year from 0.7 per cent last year, while imports are projected to continue to grow 3.4 per cent from 1.3 per cent in 2015, he said.

Najib said Malaysia's economic growth forecast for this year took into account the slowing global economic recovery.

'The slowdown in the world's economy, especially in China, moderating commodity prices following oversupply and the world's financial market volatility, will become contributing factors to Malaysia's economic slowdown," he said.

For 2017, Najib said Malaysia's economic growth is expected to be better, riding on the wave of the global economic recovery.

Based on the International Monetary Fund's (IMF) World Economic Outlook in April 2016, the world's economy is forecast to grow at a higher rate of 3.5 per cent in 2017 from 3.2 per cent in 2016.

The world's trade is expected to be more robust next year, growing 3.8 per cent from 3.1 per cent this year, Najib said.

He said investor sentiment in 2017 is also expected to be more positive as the national economic prospects would grow in line with the world's economic growth.

In addition, public investments are expected to improve following steps taken by the government to encourage government-linked companies and government-linked investment companies to repatriate their profits from abroad to invest in high-multiplier effect projects at home, he said.

Najib said as the international economic and financial landscape is anticipated to be more favourable in 2017, the country's economic growth is expected to be stronger.

"Malaysia's ability to cope with external shocks will also continue to be reinforced by the availability of sufficient buffers, robust policy framework, economic adaptability and adequate policy space," he said.

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