

**2017 Budget Will Strengthen Malaysian Economy in Facing Global Slowdown, Says Najib
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KUALA LUMPUR, Oct 17 (Bernama) -- The 2017 Budget, which will be presented in Parliament on Friday, will cover measures to strengthen and move forward the Malaysian economy to face the global slowdown, says Prime Minister Datuk Seri Najib Tun Razak.

The government would also focus on industries reeling from the sluggish global economy which had impacted international trade.

"Thus, the planning process for the 2017 Budget has taken several measures to advance the economy with the aim of enhancing the peoples' prosperity in a fair and inclusive manner," Najib told Dr Tan Seng Giaw (DAP-Kepong) in the Dewan Rakyat here Monday.

Dr Tan asked about the current status of the economy and steps taken to counter the impact of external factors.

Najib, who is also Finance Minister, said Malaysia recorded a Gross Domestic Product growth of five per cent in 2015 which far exceeded that of Indonesia (4.8 per cent), Thailand (2.8 per cent) and South Korea (2.6 per cent).

In fact, Malaysia's economic growth was far better than the global economic growth of 3.2 per cent registered last year, he added.

Najib said the economy grew 4.1 per cent in the first half of this year and was forecast to register a growth of between 4.0 and 4.5 per cent in 2016.

The prime minister said this year's GDP growth was forecast lower than 2015's growth of 5.0 per cent as global economic momentum had slowed down while Malaysia's imports had also decreased.

In addition, weakness in international markets coupled with Britain's exit from Europe and global uncertainties contributed to lower prices for crude oil, gas, palm oil and minerals.

However, Najib said the government was committed to reduce Malaysia's fiscal deficit to 3.1 per cent this year from 3.2 per cent in 2015.

"Out commitment to reduce the fiscal deficit is not an easy task. It requires high fiscal discipline and prudent spending," Najib said.

Government spending right now was focused on attracting high-impact investments which can enhance the country's competitiveness and spur economic growth in the future.

"It's clear that government action, thus far, has succeeded in maintaining economic growth momentum, thanks to strong domestic demand coupled with low inflation and unemployment rate,"

Najib added.

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