

1. PAC to release report card on Govt next week

KUALA LUMPUR: The Public Accounts Committee will release its first report card on the Government's progress in addressing the committee's recommendations next week.

Datuk Nur Jazlan Mohamed said the PAC would list the recommendations it has made to the Government during the current parliamentary term, including those that have yet to be acted upon.

"Some issues have been acted upon, some have not. For example, we recommended that the Auditor-General be allowed to conduct a post-audit on KLIA2. Still hasn't been done.

"We recommended that action be taken against several officials in the failure of the incinerator project. Don't think that has been done, either," he told reporters after chairing a PAC meeting in parliament on Thursday.

Nur Jazlan said the PAC report card would be different from the Auditor-General's report card, and would be completely independent.

"A-G's report is independent, but ours will be even more so as we have members of the Opposition on board too. So it will be more transparent," he said.

Nur Jazlan added that the report card would not designate a passing or failing mark, and was more of a progress report on the Government's efforts under its transformation plan.

The first series of the Auditor-General's report for 2014 will be tabled in Parliament on Monday.

Its findings will then be presented to the PAC, which will decide which issues from the report should be probed further.

2. Sabah speaker defends 1MDB, jet purchase

PETALING JAYA: Tun Dr Mahathir Mohamad's questions with regard to 1Malaysia Development Bhd (1MDB) and the purchase of a new private jet by the Government can be answered by making comparisons with other countries, says Datuk Seri Salleh Said Keruak.

In a blogpost on Thursday, the Sabah state assembly speaker compared 1MDB to Singapore's Temasek Holdings, which was established in 1971, and noted that the jet was important to ensure the security of the Prime Minister.

"Malaysia has its 1MDB, which has just started and needs time to prove its viability.

"Investments are not meant for quick profit. They are meant for the long term so that the next generation will have something to look at after the oil has run dry," he said, in answer to Dr Mahathir's criticisms of Prime Minister Datuk Seri Najib Tun Razak in the latter's own blog.

On the purchase of a new jet, Salleh, who is Sabah Umno deputy chairman, noted that all over the world, the cost of security for the head of government is high.

"The Special Branch has warned that Malaysia faces the risk of a terrorist attack, specifically from the Islamic State.

"If this is true then the security of the Prime Minister and Yang di-Pertuan Agong cannot be taken lightly, hence the need for suitable and efficient transportation for both the Prime Minister and the Agong," he said.

Salleh added that taxpayers in the United States pay the equivalent of RM5bil annually on the security of President Barack Obama and his family, while the cost to British taxpayers for the security of former Prime Minister Tony Blair had been RM34mil yearly.

"I am not saying that since it costs a lot of money to protect the UK Prime Minister and the US President then this justifies doing the same.

"The point I am making is that security is not cheap and security here includes proper transportation for the heads of state such as the Prime Minister and the Agong," he said.



Wednesday April 8, 2015

3. Bigwigs grilled on A-G's report

KUALA LUMPUR: Ministry bigwigs used to asking all the tough questions had the tables turned on them when they were grilled instead at a town hall session on the Auditor-General's 2014 Report.

The event - organised by Chief Secretary to the Government Tan Sri Dr Ali Hamsa - aimed to allow the media to get answers directly from top officials of the ministries and agencies named in the report, which was tabled in Parliament on Monday.

This was the third town hall session after two others were held last year following the release of Series 2 and 3 of the 2013 report.

During the event at Angkasapuri yesterday, Ali, Auditor-General Tan Sri Ambrin Buang and Public Services Department director-general Tan Sri Mohamad Zabidi Zainal sat on the stage while representatives from the ministries and agencies waited to be called up to the podium.

Some of the officials, including ministry secretaries-general, appeared nervous when responding.

In several instances, Ali interjected to ask follow-up questions and even gave suggestions and advice when the officials seemed at a loss for words.

The most popular query from reporters was how some 1Malaysia People's Aid (BR1M) recipients had abused the scheme by making overlapping claims during each payout.

National Budget Office director Datuk Siti Zauyah Md Desa said this was because BR1M vouchers did not have a serial number, the name of the recipient, their identity card number or other security features.

"But how exactly did some of the recipients manage to claim up to four times?" Ali asked.

"The vouchers were sent to the states so we do not know how a person managed to get more than one, but they did not have security features," she said, adding that all those issued from this year would have such features.

The authorities, said Siti Zauyah, would go all out to recover the money, with RM948,850 out of the RM3.3mil lost recouped so far.

Asked about poor conditions at some river jetties making it hard for patients to access the Health Ministry's Klinik Bergerak 1Malaysia (KB1M) boats, secretary-general Datuk Faridah Mohd Ali said it had replaced the one in Kinabatangan with an aluminium structure.

"However, we always urge state governments to upgrade their jetty infrastructure as we are more focused on providing health services," said Faridah.

This prompted a comment from Ali that ministries should take action where it could without waiting for state governments.

4. Malaysia to capture data market worth RM2bil by 2020

NUSAJAYA: Malaysia expects to grow the data industry market to RM2 billion by 2020 from RM300 million in 2010, driven by the growing demand for data outsourcing globally.

Minister of Communication and Multimedia Datuk Seri Ahmad Shabery Cheek said the data centre sector in Malaysia was expected to be key to the region's growth potential.

"Already an international location for major enterprises, Malaysia is well positioned for market reach to potential growth opportunities in Vietnam, Thailand and Myanmar to the north and to other large growth nations, such as Indonesia and the Philippines," he said at the opening of the DataCloud South East Asia conference here today.

Ahmad Shabery said the data centre industry in Malaysia has seen significant growth over the last five years with governments emphasis placed on driving the industry by enhancing local capabilities, facilities and talent.

"There are 26 data centre service companies in the country, providing a total of one million square feet of data centre space," he added.

5. RM43mil for rural youth entrepreneurs under RBC

A TOTAL of RM43.15mil has been allocated as grants for 54 youth entrepreneurs who had won the Rural Business Challenge (RBC) for a period of three years since 2012.

Rural and Regional Development Minister Datuk Seri Mohd Shafie Apdal said of the total, a grant of RM8.5 million was awarded to 11 winners in 2012, RM17.65mil to 20 winners in 2013 and RM17mil for 23 winners in 2014.

"The grants will be used to finance the winners' projects for them to expand their businesses, under the supervision of the ministry," he told Dr Mansor Abdul Rahman (BN-Sik).

Dr Mansor had enquired about initiatives available to rural youths through RBC competition and the number of youth entrepreneurs RBC had created.

The RBC competition had helped empower the youth entrepreneurship sector in rural areas by improving their existing income, in addition to providing new employment opportunities to the local community and entrepreneurs.

Through the RBC competition, selected youth entrepreneurs receive business grants to develop their businesses in the rural areas.

Shafie said the response to RBC competition had increased from 247 entries in 2013 to 771 entries the following year, an increase of 212%.

He said participation was expected continue increasing — Bernama



Sunday April 12, 2015

6. Traders who take advantage of GST sabotaging the economy, says Ahmad Maslan

ROMPIN: Traders who take advantage of the Goods and Services Tax (GST) to raise prices of goods are economic saboteurs, said Deputy Finance Minister Datuk Ahmad Maslan (*pic*).

He said the implementation of the new tax should allow people to enjoy a drop in the prices of goods as the GST rate is 6%, compared to the 12% imposed by the previous Sales and Services Tax.

"However, they are sabotaging the economy. Some goods are GST-free but they are arbitrarily imposing GST on them which causes the price of goods to go up.

"It is unacceptable if they say they don't understand GST as we have explained for a year and seven months on television, radio and newspapers," he told reporters after attending a function on current issues at the Rompin Umno office on Sunday.

Ahmad added that traders should adopt good business ethics or risk losing customers, and be penalised under the law.

7. HMI to invest RM200mil to build new 500-bed hospital

KUALA LUMPUR: Mahkota Medical Centre Malacca, the largest private hospital in the southern region of Peninsular Malaysia, is investing about RM200mil to build a new 500-bed hospital block.

Chief executive officer Stanley Lam said the new block, on a parcel of land adjacent to the existing 270-bed hospital building, would be ready in two to four years. The new building would cater to the growth in the number of patients every year, Lam said in an interview.

Lam said Mahkota Medical, owned by Health Management International Ltd (HMI), a company listed on the Singapore Exchange, had more than 300,000 patients annually of whom more than 30% were foreigners, mainly from Indonesia.

"Every year our patient numbers increase by more than 6%. There has been an increase in medical tourism in Malaysia, which can provide equally good medical treatment at a fraction of cost, compared with Singapore," he said.

The facility, with its niche in the middle income group, had seen a steady increase in annual revenue of more than 10%, in line with the growth of the local medical tourism industry.

8. PAC may start own audit into 1MDB

PETALING JAYA: The Public Accounts Committee (PAC) may initiate its own audit into 1Malaysia Development Bhd's dealings (1MDB) without waiting for the Auditor-General's findings, said its chairman Datuk Nur Jazlan Mohamed.

"It depends on the scope of the A-G's audit, on whether it involves 1MDB's domestic or foreign dealings. If the audit involves foreign transactions, it may take a year for the A-G's audit to be completed and this may be too long," he said when contacted yesterday.

If that was the case, he said, the PAC could initiate its own audit concurrently.

He said the move may be necessary as the issue has since been politicised by many groups.

"It has involved politics and as a parliamentary committee, PAC has the power to initiate its own audit," he said.

Asked for a time frame when the PAC would start its audit, Nur Jazlan said it could be within the next few months.

"The committee is not trying to pressure the A-G to speed up its audit but if it take too long, then we will have to move in," he added.

He said this would be necessary to dispel the notion that the Government was trying to hide something should there be a prolonged delay in the A-G's audit.

"The PAC is eagerly waiting for the A-G to complete its audit to allow the committee to scrutinise its findings," he added.

On March 4, Prime Minister Datuk Seri Najib Tun Razak instructed the A-G to verify 1MDB's accounts and forward the findings to the PAC.

On March 6, Deputy Prime Minister Tan Sri Muhyiddin Yassin Tan Sri Muhyiddin Yassin said the A-G should not take too long to complete its audit of the 1MDB's accounts and that directors should bear joint responsibility if there was any negligence or misappropriation.

The A-G began its audit on March 10, with Auditor-General Tan Sri Ambrin Buang holding a meeting with 1MDB's president and chief executive director Arul Kanda. He, however, did not disclose what transpired during the meeting.

A report will be forwarded to the PAC, which reports to Parliament.

1MDB, established by the Federal Government in 2009 to drive strategic investments, has come under heavy criticism for accumulating debts of RM49bil and is now facing cash-flow problems.

To match its liabilities, 1MDB has assets of RM51.4bil, but a substantial portion of it is in the form of development projects, namely, the Tun Razak Exchange project and Bandar Malaysia, which do not generate immediate cash flow.

9. Nur Jazlan: Why is Jho Low defending himself?

PETALING JAYA: Low Taek Jho will be called by the Public Accounts Committee (PAC) if it is able to link the businessman to Government investment arm 1Malaysia Development Berhad (1MDB).

However, PAC chairman Datuk Nur Jazlan Mohamed (*pic*) said that he is unable to say for now if Low, or Jho Low as he is better known, has links to 1MDB, at least until investigations start.

"I don't know at the moment until we start our proceedings. If there is any (1MDB) link to him we will call him to come to the PAC," said Nur Jazlan, adding that while investigations are still underway, there is no point in speculating.

"I actually don't know why he (Jho Low) is coming out to the press and making all these allegations because in terms of the 1MDB organisational structure, management or board of directors otherwise, he's not there. He's not employed or a director of 1MDB so why is he defending himself in this matter?" Nur Jazlan said.

"The Attorney-General's report is done on a professional basis to look at the financial statements of 1MDB. We (the PAC) look at it from a political angle as well and we want to know what is going on. Our committee is one of the most independent in the country because it is made up of Government and opposition MPs so it actually reflects the voice of the people," he added.

On Monday, Nur Jazlan said that the PAC may initiate its own audit into 1Malaysia Development Bhd's dealings (1MDB) without waiting for the Auditor-General's findings.

He explained that the move may be necessary as the issue has since been politicised by many groups.

The audit could start within the next few months.

In an interview with *Euromoney* magazine, Jho Low said that he had been made a scapegoat for the losses suffered by 1MDB.

He said that he was never involved in 1MDB, aside from offering advice to Middle Eastern entities on the strategic investment company.

However, tell-all website Sarawak Report had released several stories on 1MDB and the involvement of the billionaire tycoon.

On March 4, Prime Minister Datuk Seri Najib Tun Razak instructed the A-G to verify 1MDB's accounts and forward the findings to the PAC.

The A-G began its audit on March 10, with Auditor-General Tan Sri Ambrin Buang holding a meeting with 1MDB's president and chief executive director Arul Kanda. He, however, did not disclose what transpired during the meeting.



Wednesday April 15, 2015

10. Hasan Malek: Govt to continue addressing issues related to GST

KUALA LUMPUR: The Government will continue to address issues and problems related to the Goods and Services Tax (GST).

Domestic Trade, Cooperatives and Consumerism Minister Datuk Seri Hasan Malek said there were many negative views on the taxation system but that the Government is ready to handle the matter by looking at the experiences of some 170 countries which have implemented GST.

"I believe members of cooperatives can also play a part in helping the Government to handle issues such as price hikes and inflation," said Hasan in his speech at the Cooperatives Commission Malaysia (CCM) star rating awards night at its headquarters here on Wednesday.

Among the cooperatives which received five-star ratings was Koperasi Jayadiri Malaysia (Kojadi) — one of MCA's two co-operatives.

Kojadi chairman Datuk Ng Peng Hay said the cooperative has assisted 12,000 students over the years.

He said Kojadi plans to upgrade itself to become a cooperatives bank.

"Once our annual general meeting approves the motion we plan to apply for the licence," said Ng, adding Kojadi has assets worth RM162mil.

Kojadi, which was set up by MCA in 1981 to provide educational loans to students pursuing higher education, is the only Chinese cooperative with a five-star rating from CCM.

It was reported that CCM aims to create four cooperative banks by 2020.

Earlier, Hasan also launched a guideline as an initiative to ensure better and effective management of cooperatives in Malaysia.

"I hope the cooperative sector will refer to the guidelines to form a stronger movement," he said, adding that the cooperatives sector needs to continuously evolve and be competitive.

This, he said, demands for an overall transformation in the cooperatives movement.

11. MACC seizes 14 vehicles worth RM1.5mil, seven arrested

SEREMBAN: The Malaysian Anti Corruption Commission has detained seven individuals and seized 14 vehicles including used luxury models believed to have been smuggled in from a neighbouring country.

The vehicles, which had been declared as scrap were believed to cost some RM1.5mil.

It is learnt that two of the seven individuals detained were buyers.

A source said the state MACC achieved a breakthrough following the arrests of two suspects and the seizure of two cars here about a month ago.

He said upon investigation, it was found that both the cars had cloned road tax discs and registration plates.

"We believe these cars were clone models of vehicles that were already registered here," he said.

He said following the seizure, the state MACC conducted another raid at a house in Johor Baru and detained five suspects, including a foreigner and woman, aged between 22 and 46.

"Also seized were 12 vehicles believed to have been smuggled into the country," he said.

The enforcement team also raided an office believed to be operated by the suspects and seized computers and other printing paraphernalia.

"A suspect was detained during the raid at the office," he said adding that those arrested have been remanded between two and four days to assist in the probe.

When contacted, state MACC chief Shaharom Nizam Abd Manap confirmed the arrests as well as the seizure of the vehicles.

He also advised those who had bought such vehicles to voluntarily surrender them to the MACC of face legal action.

Shaharom Nizam said those who used such vehicles were taking a huge risk as they would not be able to claim for insurance in case of an accident.

12. Minister: No new loans for 1MDB except to meet current debt obligations

PETALING JAYA: Government investment arm 1Malaysia Development Berhad (1MDB) will not take any new loans unless it is to meet current debt obligations, said Minister in the Prime Minister's Department Datuk Seri Abdul Wahid Omar.

"Over the years, they have expanded by way of borrowing from the banks or capital markets. They have been buying many assets including some of the power Independent Power Producers (IPP).

"It has gone to the level where the debt has hit RM42bil as of March 31 last year. And if you can imagine the burden of servicing such a high debt is very (heavy), is very difficult.

"So until and unless your assets are able to generate (sufficient) cash flow, it is not sustainable," said Abdul Wahid at an engagement session at Akademi Kepimpinan Kapten Hussein in Kelana Jaya on Thursday.

1MDB, established by the Federal Government in 2009 to drive strategic investments, has come under heavy criticism for accumulating debts of RM49bil and is now facing cash-flow problems.

To match its liabilities, 1MDB has assets of RM51.4bil, but a substantial portion of it is in the form of development projects, namely, the Tun Razak Exchange project and Bandar Malaysia, which do not generate immediate cash flow.

Abdul Wahid explained that 1MDB has undertaken a strategic review of its business model and capital structure, chief of which involved deciding not to incur any new debts or borrowings unless it is to meet current debt obligations or to refinance current debts.

Besides resolving not to take any new loans, the investment arm has also decided to not embark on any new projects and work on the initial public offering for Edra Energy, the holding company for 1MDB's IPP assets.

"They have agreed not to embark on any new projects or venture and focus their effort on executing the two big projects - Tun Razak Exchange and Bandar Malaysia.

"They will also try to work as much as possible to get the Initial Public Offering (IPO) of Edra Energy going.

"So this IPO will benefit (1MDB) in two ways. They will get proceeds that can be used to reduce their debts plus if they were to reduce their shareholding to below 50%, they are then able to de-consolidate all the debts at subsidiary level.

"That will help to reduce the overall gearing of the company," Abdul Wahid said.

He added that said allegations against 1MDB as reported by certain news portals would be investigated.

Abdul Wahid further reiterated the Prime Minister Datuk Seri Najib Tun Razak's commitment that there would be an audit undertaken by the Auditor-General and a report would be presented to the Public Accounts Committee (PAC).

On March 4, Najib had instructed the A-G to verify 1MDB's accounts and forward the findings to the PAC.

Two days later, Deputy Prime Minister Tan Sri Muhyiddin Yassin said the A-G should not take too long to complete its audit of 1MDB's accounts and that directors should bear joint responsibility if there was any negligence or misappropriation.

The A-G began its audit on March 10, with Auditor-General Tan Sri Ambrin Buang holding a meeting with 1MDB's president and chief executive director Arul Kanda. He, however, did not disclose what transpired during the meeting.



Sunday April 19, 2015

13. TI founder: Corruption in Malaysia under control

KUALA LUMPUR: Corruption in Malaysia is under control and the country's growing investment is proof of it, says Michael Hershman, the co-Founder of Transparency International (TI).

Hershman said investment does not grow in a country dominated by corruption.

"It (corruption) chases investment away from the country. However, Malaysia has been lauded as a friendly country for foreigners to do business," he said in an interview here.

TI is the non-governmental organisation that monitors and publicizes corporate and political corruption in international development.

The 2015 Index of Economic Freedom ranked Malaysia as the 31st economy freest among 178 countries, with a score of 70.8 points, an increase by 1.2 points since last year, with improvements in freedom from corruption, business freedom, and trade freedom outweighing decline in labour

freedom and the management of government spending.

While pointing out that there is no country with zero corruption, Hershman said corruption was not only the government's problem and that the people should stop blaming the government.

"The government is easy to be blame, 'they are always the evil party' but you can't have corruption unless you have people involved in corruption.

"Therefore, rather than asking what the government should do, we should ask ourselves what we can do to fight corruption.

"The problem is how many people are willing to say 'no' when it comes to bribes?" he said, adding that a report showed people were reluctant to inform the authorities about corruption.

Hershman commended the Malaysian Anti-Corruption Commission's (MACC) reporting hotline as it made people more confident to come forward.

He suggested that Malaysia teach the young children since primary school about combating corruption to help create a corruption free culture in the society.

"It is important to teach our children the difference between right and wrong, because corruption is not all about putting people in jail but about educating the society and prevention," he said.



Wednesday April 22, 2015

14. Sarawak passes Forests Bill, ups penalties to RM1mil fine and 10 years' jail

KUCHING: Timber thieves will face heftier fines and jail terms when a new Forests Ordinance comes into force in Sarawak.

Among others, the illegal export of logs under the Forests Bill 2015 is punishable by a fine of RM100,000 to RM500,000 and up to five years' imprisonment, or a fine of up to RM1mil and 10 years' jail for subsequent offences.

Those guilty of not paying royalties or fees will be fined not less than RM25,000, jailed up to a year and ordered to pay the government a sum of not less than 10 times the royalty or fee chargeable on the timber in question.

Previously, the penalty for illegally exporting logs was imprisonment of between one and five years and a RM50,000 fine, while that for revenue offences was one year's jail and a fine of RM2,000.

The Bill was passed by the State Legislative Assembly Wednesday to repeal and replace the existing Forests Ordinance 1953.

It follows the crackdown on illegal logging and corruption in the timber industry announced by Chief Minister Tan Sri Adenan Satem some months ago.

Second Resource Planning and Environment Minister Datuk Amar Awang Tengah Ali Hasan, who tabled the Bill, said it was aimed to eliminate illegal logging and to promote sustainable forest management.



Thursday April 23, 2015

15. MACC will probe Najib if there is proof

PUTRAJAYA: The Malaysian Anti-Corruption Commission (MACC) will investigate Prime Minister Datuk Seri Najib Tun Razak for corruption as long as there is substantial proof, said Tunku Abdul Aziz Tunku Ibrahim (*pic*).

The MACC Anti-Corruption Advisory Board chairman said on Thursday that it was easy for people to make accusations but the commission could not act if there is no solid evidence of the allegation.

"If there are people concerned about the Prime Minister's wealth, they know what they can do. Make a police report, but it has to be one with substance.

"It is not about going to the police station, have your picture taken surrounded by people and be famous for one day.

"I'm not saying the PM should be wrapped in cotton wool or shouldn't be questioned.

"He should be held accountable for what he does, but before we accuse him of wrongdoing, come up with the evidence.

"If you have strong evidence, make a report, and the police will investigate. The MACC will act if there is any element of corruption.

"I encourage anyone with evidence of wrongdoing by the PM to go ahead and make a report. This is a democracy," said Tunku Abdul Aziz at a press conference at the MACC headquarters here.

Tunku Abdul Aziz was asked if the PM would ever be probed by MACC for allegations of attaining wealth by corrupt means.

Earlier, he chaired a meeting with the new members of the board, who were appointed by the Yang di-Pertuan Agong on Feb 25 this year.

Among those currently on the MACC Anti-Corruption Advisory Board include former Inspector-General of Police Tan Sri Musa Hassan and former Auditor-General Tan Sri Hadenan Abdul Jalil.



Thursday, 23 April 2015

16. BNM Governor's speech on Facing Malaysia's current economic challenges

Speech by the Governor of Bank Negara Malaysia Tan Sri Dr Zeti Akhtar Aziz on "Facing Malaysia's current economic challenges" at Invest Malaysia on April 23.

"It gives me great pleasure to be here at Invest Malaysia 2015. This event takes place at a time of major transformative change in the world, the region and in our country.

These changes include the more inter-connected, integrated and interdependent environment within and across countries, the significant shifts in demographic structures occurring in major parts of the world and the marked transformation in the international financial landscape following the international regulatory reforms prompted by the recent global financial crisis.

Slower but nevertheless far reaching are the changes in the institutional arrangements that are altering the international and regional circumstances.

A further fundamental change is the greater reliance on unprecedented and unconventional policy responses that has brought the world into uncharted territory. And finally, the world is also being transformed by the more significant cross border financial, information and talent flows.

My remarks today will touch on three key areas: the current challenges confronting the global and domestic economy in this new environment; the intrinsic strengths of the Malaysian economy that will enable us to navigate through these more challenging times and finally on the new changing profile of Malaysia's investment landscape and what it means for the prospects of our economy.

Key challenges and prospect for the World and Domestic Economy

We meet today at the time when the international economic and financial environment has become immensely more challenging.

To a large extent, this has been reinforced by the significantly higher degree of uncertainty prevailing in the world today that is prevailing on several fronts.

Firstly, is the uncertainty about the prospects for global growth in the aftermath of the global financial crisis. The persistence of this uncertainty is now having its implication on sentiment and confidence.

Secondly, are the conditions in the commodity and financial markets that have become more volatile. The massive shifts in global liquidity are precipitating volatile capital flows with its immense implications on the asset and foreign exchange markets.

Thirdly, there is also the increased uncertainty prevailing in the policy environment in the global economy in terms of the extent and timing of the policy changes. In particular, is the uncertainty with respect to the timing of the exit from the highly accommodative policies and the implications of the divergent monetary policy stance that is being pursued in the major economies.

Fourthly, is the uncertainty related to the implementation of the structural reforms to address the structural rigidities and deficiencies that surfaced during the global financial crisis.

Fifth and finally, are also considerable geopolitical uncertainties prevailing in the world today. Cumulatively, these developments have compounded the uncertainties surrounding the global economy.

In this environment of great uncertainty, a more moderate recovery of the global economy has been projected for 2015. The most pressing challenge for the global economy is therefore to generate an economic recovery that is balanced and sustainable. Also important is the quality of the growth and its ability to generate employment.

Although the growth momentum has improved in a number of major economies, the growth has thus far been modest. Additionally, weaknesses in several major economies continue to point to a global economy that remains vulnerable to downside risks. While the growth performance in most emerging economies is projected to moderate, collectively these emerging market economies remain as an important driver of growth of the world economy.

A less robust external sector, slower domestic demand and specific domestic factors have been among the reason for this growth performance. In Asia, the growth for 2015 is projected to be sustained at 6.4% while growth in the ASEAN-5 is projected to be in the region of 5%.

A further phenomenon affecting the global economic performance is the significant decline in global oil prices. While this has partially offset the weaker-than-expected growth momentum in some of the advanced economies, it has, in different degrees, adversely affected the oil exporting economies resulting in a divergent growth performance across and within regions.

Overall however, the global economy is expected to benefit from the lower oil prices.

A further recent development is the consequences of the unprecedented and divergent monetary policy being pursued in the major economies which has resulted in significant policy spillovers to other parts of the world. Against this backdrop, the financial markets are therefore expected to remain in the state of heightened volatility during the year.

Given the degree of openness of the Malaysian economy and the financial system, we are affected by these global developments.

These effects however need to be seen from the perspective of our prevailing underlying conditions. Malaysia is affected by these external developments through the trade and capital flows. The diversified structure of the economy and of exports has however reduced the impact of the effects of the plummeting oil prices on the economy.

While the current account of the balance of payments is expected to narrow, it is projected to remain in surplus.

The global shifts in liquidity have caused sizeable outflows from emerging economies, including Malaysia, resulting in volatility in our financial markets and depreciations in our currencies.

Despite these developments, after a stellar performance in 2014, the economy is projected to remain on the steady growth trajectory in 2015 with an economic growth being in the region of 4.5 - 5.5% with the growth mainly being driven by domestic demand.

Solid Macro Economic Fundamentals

Building the foundations and resilience is the best line of defense to deal with the spillovers from external developments on future shocks.

Malaysia has over several decades demonstrated time and time again, the ability to emerge from commodity price shocks, financial crisis and the spill overs from disruptions generated from other parts of the world.

While Malaysia will always be affected by such external developments, the strategy has been to have the flexibility to absorb and adjust and the strength to rapidly rebound. While each crisis or setback has been different, there are several common features that has allowed Malaysia to rapidly recover from such shocks.

For each respective major shock confronting our economy, Malaysia has registered V-shaped recoveries. This has essentially reflected the flexibility of the economy to adjust and the early and comprehensive policy response.

The ensuing periods were often marked by structural reforms and institutional development that were designed to rebuild the fundamentals of the economy, address the weaknesses and vulnerabilities and to forge new areas of growth.

This has, decade after decade, resulted in vital changes to our economic structure, from being export-led to now being predominantly demand driven and from being over reliant to specific sectors to having a more diversified economic structure with the manufacturing and services sectors that are now transitioning to higher value added activities.

In essence, the structure of the economy has now become significantly more diversified in terms of sources of growth.

While the export sector remains as integral component of the economy, domestic demand has now become the key driver of growth, anchored by strong private sector activity that now accounts for 70% of GDP.

Underpinning the robust domestic demand is the sustained consumption spending and the revival of investment activity by the private sector.

On the external balance, the diversified exports and markets has allowed the balance of payments position to remain sound. Thus, despite the fall in commodity prices, the trade and current account is expected to remain positive, sustained by manufactured exports while the financial account is expected to adjust in an orderly manner.

During this same period, the financial sector restructuring, rationalisation and reforms, the institutional development, the strengthening of the regulatory, supervisory and legal framework and the development of the domestic financial markets have also diversified the financial sector and has enhanced its ability to disperse external shocks throughout the system.

In particular, the financial reforms involving the transition to greater market orientation and a more liberalised financial system has allowed for greater flexibility to adjust to the effects of the shifts in global liquidity. The now deep and robust financial system is also underpinned by high levels of capitalisation and sufficient levels of liquidity.

This has ensured that financial intermediation continues to be effective in providing support to economic activity.

It is therefore not the recent policies or new measures that has placed Malaysia on a stronger position to manage the external challenges.

Rather it is the economic restructuring and financial reforms and development undertaken during this recent two decades and the building of several layers of buffers that has allowed us to weather the current challenging operating environment.

Further solid fundamentals include the relatively low rate of inflation, the low levels of unemployment, the high rate of savings and the manageable levels of external debt with the majority of debt being in medium- to long-term tenures and with more than 40% being denominated in ringgit.

This, together with ample international reserves, accords the economy with the policy flexibility to manage external risks. The combination of these factors will cumulatively enable a more effective policy response to mitigate the impact of any external shocks on domestic demand.

While monetary policy has remained accommodative and access to financing been enhanced, wide-ranging measures including macro prudential and tax measures have been implemented to rein in excessive leverage and risk-taking to ensure growth is achieved without compromising our future prospects.

Malaysia's New Investment Landscape

As Malaysia progresses, so has the nature and profile of our investments. Compared to the 1990s, the current investment landscape is driven by the private sector, is geographically and sectorally more diverse, and is focused on high value-added activities and new growth areas.

Since 2010, Malaysia has experienced an investment renaissance and continues to benefit from a long-standing track record of being a profit centre for large multinational companies. Malaysia continues to be a recipient of foreign direct investment (FDI), mainly in the manufacturing and services sector. This is also reinforced by a high level of capital spending undertaken by Malaysian companies.

Regional corridors established has also expanded and transformed the Malaysian investment landscape to be more geographically diverse and extending the development throughout Malaysia.

The emergence of new growth areas in Malaysia such as renewable energy (e.g. solar) and semiconductors in fast-growing segments such as automotive, medical devices and telecommunications, has enabled Malaysia to be plugged into the global supply chain.

Investment in the manufacturing sector has moved towards higher value-added activities, shifting from basic production and assembly to producing goods which have advance applications such as in the automotive and healthcare sectors. Not only has this generated high-skilled jobs, but these investments have enabled greater technology transfer and higher adoption of automation within the Malaysian economy.

As a country which is strategically located within close radius of two of the most populous economies in the world, China and India, Malaysia is centrally located in Asia, more broadly, and in ASEAN, in particular.

With the conception of the ASEAN Economic Community (AEC), companies would benefit from the stronger economic inter linkages through greater cross border liberalisation and increased intra-ASEAN trade.

Firms in this region will gain greater market access to 630 million people that are generating economic region that is worth USD2.4 trillion.

The increasing importance and influence of Asia in the global economy has raised international interest to better understand Asia - the economies, businesses and people that comprise the region.

On that note, I would like to mention that Bank Negara Malaysia has entered into a collaboration agreement with Massachusetts Institute of Technology Sloan School of Management (MIT Sloan) to establish Asia School of Business (ASB) in Kuala Lumpur.

ASB is envisioned to be a premier business school that develops transformative and principled leaders who will contribute to a better future and the advancement of the emerging world. The School will offer both degree and executive programmes to serve the needs of Asia and the broader global economy.

Conclusion

Let me conclude my remarks. We are now experiencing a phase of modest growth in the global economy, in an environment that is characterised by heightened uncertainty and volatile financial markets.

The Malaysian economy has withstood these challenging times, supported by our strong initial conditions and early and comprehensive policy responses.

The intrinsic strength of the economy, reinforced with policies to encourage greater investments in high-value added activities would serve to ensure greater economic sustainability for the future.

Finally, active regionalisation is an important strategy for Asia to enhance regional economic prosperity.

Malaysia actively participates in the efforts to strengthen linkages within the ASEAN community and to creating opportunities to foster greater economic integration. These efforts will place ASEAN on a path to realising its economic potential and enabling the region to collectively prosper."

17. Nazir: 1MDB declined invite to Invest Malaysia event

KUALA LUMPUR: 1Malaysia Development Bhd (1MDB) was invited to attend the Invest Malaysia event - the biggest gathering of corporates and investors in the country - to allow it to give its side of the story.

However, the Finance Ministry-sponsored fund turned down the offer.

CIMB group chairman Datuk Seri Nazir Razak said that since there was so much chatter about 1MDB, the fund was invited to speak.

"This is the biggest investor programme and is held once a year. All major government investment companies are here and so are the key people in the capital markets.

"We felt that this was a good platform for them to answer questions," he told reporters at Invest Malaysia here yesterday.

Invest Malaysia is a yearly affair where all major funds and key decision-makers such as the Bank Negara governor and ministers attend to outline their views.

In this year's Invest Malaysia, Khazanah Nasional Bhd hosted a luncheon talk for participants while the Employees Provident Fund (EPF) is due to give a talk on its strategies for Asean.

Nazir said that since everybody was talking about 1MDB, the earlier the issues were cleared up, the better it would be for the fund.

"When issues are not cleared up, people tend to expect the worse," he said.

1MDB, a strategic fund with assets of RM51.4bil and debts of RM42bil is having cash flow problems servicing its obligations.

It was established in 2009 and has come under fire over its transactions.

Nazir said it was important Malaysian companies and the Government explain their case, as negative news affected investor sentiments and valuations of the ringgit.

18. Unregistered health products worth RM2.5mil seized last year

KUALA LUMPUR: A total of 113 health products, worth RM2.48mil were seized last year for not being registered with the Health Ministry (KKM) or products mixed with poison.

Deputy Health Minister Datuk Seri Dr Hilmi Yahaya said the number increased from 2013, with only 43 health products worth RM1.81mill seized.

"In 2013, 82 direct sales premises were inspected nationwide while 127 premises were inspected last year.

"For the same period, 108 operations were conducted on direct sales premises found in violation of the (Sales of Drugs) Act enforced by the ministry's pharmacy enforcement division," he told the Dewan Negara sitting here Monday.

He was replying to Senator Tan Sri Abdul Rahim Abdul Rahman, who wanted to know regulatory measures regarding multi-level marketing (MLM) companies who sold supplementary foods and medicines that could potentially endanger the health of consumers.

Dr Hilmi said the Ministry's pharmacy enforcement division conducted regulatory activities on all premises selling health products, including MLM companies.

Throughout 2012 until last year, 194 offences relating to direct sales companies were prosecuted in Court under the Sales of Drugs Act 1952, he said.

He said direct sales companies found to have committed the offences could be imposed a fine of up to RM50,000 for the first offence and fine up to RM100,000 for subsequent offences upon conviction.

"Individuals found to have committed offences under the Act are liable to a fine not exceeding RM25,000 or imprisonment not more than three years or both for the first offence, and a fine not exceeding RM50,000 or jail not more than five years or both for subsequent offences." he said.

19. Malaysia poised to be Asia's biggest biogas exporter

KUALA LUMPUR: Malaysia is expected to be Asia's biggest biogas exporter by 2020 and Asia's biggest biogas hub by 2030, said Science, Technology and Innovation Minister, Datuk Dr Ewon Ebin.

He said Malaysia had the potential to utilise biogas resources to be at the epicentre of global bioindustrial ecosystem.

"Currently, we have about five million hectares of land under oil palm, so by 2020, we will be able to increase revenue to about RM20 billion.

"The aim is to show the viability in upgrading biogas from palm oil mill effluent (POME) to bio-methane, which can be used to fuel cars or other industrial applications," he said at the fourth Biogas Asia Pacific Forum 2015 here today.

With the adoption of biotechnology in the biogas industry, production would significantly increase and the industry was expected to grow to RM8.3 billion by 2022 from RM1.46 billion in 2015, he added.

Meanwhile, Biotechnology Corporation (BiotechCorp) Chief Executive Officer Datuk Dr Mohd Nazlee Kamal said as the leading development agency in biotech industry, the company had stepped forward to spearhead the development of biogas.

"Under the Bioeconomy Transformation Programme, with projects to convert wastes in the form of POME into high value-added green energy, we are enhancing renewable energy resources to contribute towards the national electricity supply," he said.

The three-day forum witnessed the exchange of documents between Gas Malaysia Bhd, Sime Darby Offshore Engineering Sdn Bhd, Megagreen Energy Sdn Bhd, Technology Nasional Bhd, Felcra Bhd, Felda Global Ventures Holdings Bhd, and Green and Smart Sdn Bhd.

Nazlee said BiotechCorp hoped to double revenue for its BioNexus Status companies this year from the 10 per cent growth achieved last year.

In 2014, BioNexus companies saw a 10 per cent increase in revenue to RM1.29 billion from RM1.17 billion in 2013. -

20. Dr M: Govt must be free from debt

KAJANG: Tun Dr Mahathir Mohamad has no problem with Prime Minister Datuk Seri Najib Tun Razak's leadership as long as the administration is free from debt.

The former prime minister reiterated that the Government must explain what happened to the money and loans taken by 1Malaysia Development Berhad (1MDB).

"The Government's agenda is to pay its debts. If the Government manages to free itself from debt, I have no problem.

"However, it is problematic when not only RM1mil or RM2mil is unaccounted for, but it is estimated at between RM14bil and RM20bil.

"Where has the money gone? This is the rakyat's money and it will have an impact on the country's finances," he told a press conference after attending a public lecture on youth and nation-building at the German-Malaysian Institute here yesterday.

Dr Mahathir was asked for his response to remarks by Najib, who had said on Tuesday: "Even though we are pressured and criticised, as a transparent government, I, as the prime minister, with the deputy prime minister and the ministers as well as my colleagues in the administration won't budge or surrender, but will instead remain steadfast and continue to fight, and carve a million new pathways for the sake of the rakyat and the country."

The former prime minister also urged the Government to reveal whether 1MDB had transferred any of its funds to Singapore.

"He gave a written statement (in Parliament) that the money is in Singapore but the Singapore central bank has given a contradictory statement," said Dr Mahathir.

Asked to comment on Deputy Finance Minister Datuk Ahmad Maslan's remarks that he did not have the right perspective on the Goods and Services Tax (GST), Dr Mahathir said: "He takes care of finance, but he does not understand anything about finance."

In Bukit Mertajam, Ahmad denied being warned by top Umno leaders to stop talking about GST.

He said there was no reason for him to stop talking about GST either in Rompin or Permatang Pauh where by-elections were being held.

"If I stop talking about GST, then the Opposition will win," he said.