

## 1. Over 300,000 firms ready for GST

PETALING JAYA: Response to the Government's efforts to implement the Goods and Services Tax (GST) has been encouraging with 300,730 companies registering with the Customs Department as of Dec 31 last year.

"The number exceeded our initial predictions," Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah said in a statement yesterday.



"The Government is confident that the GST can be implemented smoothly starting April 1."

According to Ahmad, 266,003 of the firms registered were small and medium enterprises.

Ahmad said the hand-holding programme, which was started in November last year, would be continued to help teach companies how to be GST-compliant.

"Implementing GST is a physical step for the Government to strengthen our country's economy, develop modern infrastructure and create an efficient economy ecosystem," he said, adding that the cooperation between the private and public sectors along with the people would propel Malaysia to achieve developed nation status by 2020.

## 2. CM: Requirements part of measures to check illegal logging in Sarawak

KUCHING: Sawmills must submit monthly reports detailing their purchase of timber right up to the point of export as part of Sarawak's enhanced measures to stamp out illegal logging and timber smuggling.

Announcing the tougher requirements, Chief Minister Tan Sri Adenan Satem warned that sawmills must not accept timber from illegal sources or risk losing their licences.

"They are to submit monthly reports on their purchase of timber from all sources.

"They are to tell the Forest Department and other authorities the route the timber takes from the point of felling to the point of export, if any, or to the point of processing," he said.

He said enforcement officers from the Forest Department and Sarawak Forestry Corporation (SFC) must familiarise themselves with the details of timber concessions in their areas.

"They must know the boundary, the licensee, contractor, subcontractors and location of log ponds.

"They must make regular but unscheduled visits to sawmills and to these areas," he told reporters after handing over 29 four-wheel drive vehicles to the Forest Department here yesterday.

Fifty pump-action shotguns were also issued to forest enforcement personnel.

"With these extra facilities, I expect that they will be more effective in enforcing the Forest Ordinance. I do not want any more excuses from the Forest Department or SFC that there is not enough manpower or facilities," Adenan said.

He said efforts would be made to isolate and prosecute informers in the Forest Department and SFC who tip off illegal loggers and smugglers about raids.

Adenan said the state had achieved some success against illegal logging and smuggling since announcing a crackdown a few months ago.

Last year, the Forest Department seized 82,327 cubic metres of logs worth RM41mil, an increase of 634% compared to 2013 seizure of 11,216 cubic metres worth RM5.6mil.

"This means that we have been quite successful but we will keep at it. It also shows that this problem is more widespread than we think.

"We carried out 210 raids last year and the figures will show a sudden jump since we declared war on illegal logging and smuggling," Adenan said.



Sunday 4 January, 2015

### **3. Ministry to probe failure of bridges**

KUALA LIPIS: The Works Ministry will investigate why several permanent bridges in the country failed during December's flooding.

Works Minister Datuk Fadillah Yusof said the ministry's board of engineers would examine if there was any design weaknesses.

"We need to look at new designs for the bridges as the severity of natural disasters in the country has increased. We will need to see the bridges' durability and improve the designs," he told a press conference after surveying a collapsed bridge in Kampung Aur Gading here.

Fadillah also announced that the ministry needed RM338mil to repair roads damaged by the floods and another RM98mil to repair 93 hillslopes.

Meanwhile, Defence Minister Datuk Seri Hishammuddin Hussein, who also visited the collapsed bridge with Fadillah, said his ministry would deploy personnel to build temporary bridges along with the Works Ministry at Sungai Tanum, near Kampung Aur Gading in Kuala Lipis, Pahang, and Sungai Stelu in Gua Musang, Kelantan.

Sungai Tanum will get a 50m-long bridge that will eventually be upgraded to a compact Bailey bridge capable of taking up to 60 tonnes, while Sungai Stelu will get a 200m bridge.

On delivery of supplies to flood victims, Hishammuddin said the Royal Malaysia Air Force has operated 303 flights and hundreds more truck journeys to deliver 2,247 tonnes of aid nationwide.

In a tweet on Friday, Hishammuddin was happy to note that a prominent member of the Selangor royal household was helping out in relief work.

Hishammuddin was at the Air Force base in Subang on Friday when he saw the Raja Muda Tengku Amir Shah among the volunteers who were in the midst of packing supplies.

"This morning, so surprised to see Raja Muda Selangor among the volunteers in Subang. Awesome," he tweeted.

A picture of Hishammuddin shaking hands with Tengku Amir was also featured with the tweet.



#### **4. Liow backs move to investigate KLIA2**

KUALA LUMPUR: Datuk Seri Liow Tiong Lai (*pic*) welcomes the Public Accounts Committee's recommendation for the Auditor-General (A-G) to investigate the Kuala Lumpur International Airport 2 (KLIA2) following accusations of mismanagement.

The Transport Minister, who is also MCA president, said that some people who had accused him of ignoring the recommendation had made accusations without basis.

"I fully support the PAC's recommendation for the Auditor-General to investigate the whole situation, he said at the handing over ceremony of flood disaster assistance at the MCA headquarters on Monday.

PAC member Tony Pua had recently accused Liow of ignoring the parliamentary PAC's recommendation made on Nov 26.

Among other things, Pua had pointed that the PAC's report on the KLIA2 project had reported "mismanagement" and "questionable decision-making", which had caused multiple delays and cost overruns from the initial RM1.7bil to RM4bil.

Liow had also insisted that the auditing committee set up by the Transport Ministry was a separate issue from the A-G's recommendation.

It was a safety committee set up to inspect and validate the security and safety of KLIA2 as well as to ensure that its operations was smooth and safe, he said.

He refuted the allegations that the Transport Ministry was trying to delay or stop the A-G from investigating KLIA2.

Liow said the audit committee had chaired two meetings and were required to submit a report for the first half of this year to the Ministry.



Tuesday 6 January, 2015

#### **5. PAC to seek meeting with Finance Ministry, NSC over flood relief allocation**

PETALING JAYA: The Public Accounts Committee (PAC) will seek a meeting with the Finance Ministry and the National Security Council (NSC), once the flood situation has improved, to obtain details of the RM800mil spent on relief efforts.

PAC chairman Datuk Nur Jazlan Mohammad said the committee would not push for clarification now as it wanted the NSC to handle the flood situation first.

"Once (the floods) subside, I will be asking them to explain as the public would want to know how the funds were channeled for relief efforts," he told *The Star Online*.

Nur Jazlan said letters from the committee would go out when Parliament sits and the floods have subsided.

He had earlier told an online news portal that the RM800mil allocation would require transparency and thrifty spending to ensure that the additional budget was not questioned when it is presented in Parliament.

"PAC will only call them to find out if the additional budget is really used in a right and transparent way," he is reported to have said.

Nur Jazlan added that the move to seek an explanation from the ministry and NSC would also avoid misunderstanding when the additional budget is tabled.

He further stated that the RM800mil allocation was to help flood victims and did include expenses for recovery and rebuilding.

"This is only help for flood victims. It does not include costs for the re-development of the areas such as rebuilding of roads, reinstalling electricity and water supplies and more," he said.

## 6. MyEG gets permit job - and flak

KUALA LUMPUR: Several groups have slammed the Government's "sudden" decision to outsource the renewal of the Foreign Workers Permits (PLKS) to MyEG - and the additional RM38 per worker charge that comes with it.

Employers, they said, were taken by surprise when told that renewals could not be done at Immigration Department counters effective Jan 5.

Now, all employers of foreign workers, including those of domestic maids, have to do annual renewals online using MyEG's new system with the additional service charge.

Questioning the necessity of outsourcing the service, the Malaysian Association of Foreign Maid Agencies president Jeffrey Foo said the department should be able to handle an online system.

"MyEG is not a government body. It is only a government-appointed company. Yet it is being entrusted with handling the huge task of renewals for an estimated 2.2 million foreign workers.

"Employers were already paying a RM125 service charge per worker to the department. Now, they have to fork out an additional RM38," he told reporters here yesterday. At 2.2 million workers, employers need to cough up an additional RM86mil for the renewals.

The online renewal, Foo said, would also take longer - about three days - as employers would first need to get a special pass from the department before renewing permits online.

"Previously, the renewal could be done in a day," he said, adding that unless they bought their workers' insurance from MyEG, employers also had to pay an additional RM20 each.

In a statement dated Jan 2, the department announced that all renewal of foreign workers permits at their counters would be stopped to reduce congestion as well as to avoid employers using middlemen or agents.

Malaysian Employers Federation executive director Datuk Shamsuddin Bardan said it was "strange" that there had been no consultation on the matter.

"When we did the renewals manually at the counter, there was no charge. Now, it's RM38 per worker. Imagine the windfall for MyEG," he said when contacted.

"We have to remember that employers include those who run small businesses. Not everyone is computer savvy.

"There needs to be a mindset change for the authorities. If they want to introduce a change, at least do it gradually to allow people to familiarise themselves."



Wednesday, 14 January 2015

#### **7. A chance for Govt to undertake reforms to increase efficiency**

SUBANG JAYA: This year will be quite challenging for the Malaysian economy but also poses a chance for the Government to undertake necessary reforms to increase efficiency, said economics professor Datuk Woo Wing-Thye.

He said he did not expect oil revenue to rise, adding that he expected the prices of commodities to stay low.

Additionally, he said the ringgit would most likely weaken with the rest of the world as the US dollar continued to strengthen.

"So 2015 will be quite a challenging year for the Malaysian economy but let us not waste a good crisis, which is a time when we undertake necessary reforms," he told reporters.

For example, he said such reforms could include allowing telecommunications companies access to payment mechanisms so their transactions would not need to go through banks.

Woo said the Government should also consider handing out more banking licences to make the sector more competitive, adding that there was a need for more small and medium banks in general. "We have so many banks that are all too big to fail and because they are too big, if they do anything wrong, the people involved are too big to jail," he said.

Woo said it was important that the Government take advantage of the weak ringgit to ensure that Malaysia's exports sector was boosted.

He said there was also a great deal that the Government could do to increase non-traditional exports such as tourism.

"The recent suggestions for the Government to reduce visa requirements on visitors from China is a very good idea and a form of boosting our exports," he said.

Woo opined that the private sector would also face difficulties as earnings from abroad and its overall growth rate would be low.

He added that the upcoming goods and services tax (GST) implementation on April 1 was also rather unfortunate timing as it would come at a time when people's incomes were being squeezed.



Thursday, 15 January 2015

## 8. Khazanah net worth increases by RM9.3bil to RM110.8bil

KUALA LUMPUR: Khazanah Nasional Bhd's net worth adjusted (NWA) has improved by RM9.3bil or 9.2% to RM110.8bil as at end-2014, mainly boosted by its investments in telcos, Tenaga Nasional Bhd (TNB), healthcare and Alibaba Group Holding Ltd shares.

The fund's portfolio NWA has gone up RM77.5bil or 3.3 times since 2004.

At its annual briefing, managing director Tan Sri Azman Mokhtar confirmed the sovereign fund's investment in the giant Chinese technology company, and that it had taken profit on 43% of the block or shares worth RM1.7bil upon the latter's initial public offer.

He said Khazanah had gained RM3.9bil from the investment in Alibaba, in which its cost was about RM1.3bil.

"We invested in Alibaba two to three years back in two tranches and it has grown 4.5 times," he said, adding that it was still holding about 0.34% in Alibaba due to the e-commerce company's prospects.

2014 portfolio performance (RM bil)

Portfolio as at	May 14, '04	Dec 31, '13	Dec 31, '14	2013-2014	2004-2014
Realisable Asset Value (RAV)	50.9	135.1	145.6	+10.5 (+7.8)	+94.7 (+10.4% p.a.)
Net Worth Adjusted	33.3	101.5	110.8	+9.3 (+9.2)	+77.5 (+12.0% p.a.)
RAV/ Liabilities (x)	2.9	3.7	3.7		
Shareholders' funds	7.7	29.4	35.1	+5.7 (1.2x)	+27.4 (4.6x)

Source: Khazanah

TNB was also one of the outperformers as it contributed RM4.9bil to the fund last year.



Meanwhile, its investment in Axiata Group Bhd and Telekom Malaysia Bhd contributed RM2.9bil to its portfolio as the telcos' share prices reached new highs.

However, the aviation sector which took a hit from unfortunate events last year dragged down its portfolio by RM3.1bil.

"We have taken Malaysia Airlines private last year while Malaysia Airports Holdings Bhd felt the impact from the airline's accidents."

Nonetheless, the prospects in the aviation sector have improved this year as travellers' confidence has recovered.

UEM Group's contribution to Khazanah had also declined by RM2.2bil last year, mainly due to concerns involving the property market in Iskandar Malaysia but was positive of the long-term outlook there, he said.

He said the fund expected to receive steady dividends from the companies it invested in as they were resilient businesses while dividend payout was deemed sustainable.

Khazanah's unaudited pre-tax profit was RM3.2bil and declared dividends of RM900mil for 2014.

Last year, the fund made 12 investments amounting to RM7.2bil and six divestments, which recorded a gain of RM3bil.

Azman said it had a few "list-able" companies in the pipeline but it was not in a hurry to list them this year as it would depend on favourable market conditions.

Among the companies that it plans to list are its leisure and tourism unit Themed Attractions and Resorts Bhd as well as property unit Medini Iskandar Malaysia Sdn Bhd.



Sunday 18 January 2015

## **9. MACC to crack down on illegal logging**

KOTA BARU: All reports on illegal logging activities nationwide are investigated and appropriate action is taken, says Malaysian Anti-Corruption Commission (MACC) Chief Commissioner Tan Sri Abu Kassim Mohamed.

He said illegal logging had destroyed the environment and contributed to the recent floods.

"We investigate all reports and investigations are carried out from time to time in all states which have reports on illegal logging," he said.

Speaking to reporters after visiting the Kelantan MACC Complex here Sunday, Abu Kassim said MACC had several investigation methods on illegal logging.

"If the evidence is inadequate, we will study the system and procedures used.

If there is a need to amend them, we will suggest to the state government that a policy change be made," he added.

On efforts to smoothen the process of giving aid to the flood victims or check abuses, Abu Kassim said any keen quarter or individual could help MACC by becoming volunteers to channel information.

"There are not many of us so we need volunteers. So, if there are volunteers who want to help MACC, they can register themselves and we will brief them.

"We will screen them. The pre-condition is that they cannot declare they are from MACC as they only act as informers and do not reveal their identities to the public," he said.

He said MACC had received 45 calls from the public on issues related to floods nationwide after the Flood Fund Management Integrity Committee was set up recently.

In a related development, Abu Kassim urged all quarters not to use political sentiments when distributing aid to flood victims.

He said the public should also not make false claims because stringent action would be taken under Section 18 of the MACC Act 2009 against them, if found guilty.



Monday 19 January 2015

#### **10. Abu Kassim: MACC act on all illegal logging reports nationwide**

KOTA BARU: The Malaysian Anti-Corruption Commission (MACC) investigates all reports on illegal logging activities nationwide and takes appropriate action, says its chief Tan Sri Abu Kassim Mohamed.

He said illegal logging had destroyed the environment and contributed to the recent floods which brought great devastation to the state.

"We investigate all reports and investigations are carried out from time to time in all states which provide us with reports on illegal loggings," he told reporters after conducting his visit at the Kelantan MACC Complex here yesterday.

Abu Kassim said MACC had several investigation methods on illegal logging.

"If the evidence is inadequate, we will study the system and procedures used.

"If there is a need to amend them, we will suggest to the state government that a policy change be made," he added.

On the efforts that could be taken to smoothen the process of giving aid to flood victims as well as checking abuses in the distribution process, Abu Kassim said individuals are welcome to help MACC in this regard by becoming informants.

"There are not many of us, so we need volunteers.

They can register themselves and we will brief them. The condition is that they cannot declare they are from MACC, and must keep their identities hidden from the public," he said.

Abu Kassim said MACC had received 45 calls from the public after the Flood Fund Management Integrity Committee was set up recently.

This followed complaints about misappropriation of donated items and money for flood victims. - Bernama



Wednesday, 21 January 2015

#### **11. Zeti: Malaysia's fundamentals still intact**

PUTRAJAYA: Bank Negara governor Tan Sri Dr Zeti Akhtar Aziz did not give away any indication that there is going to be a hike in the current overnight policy rate of 3.25%, as it is still accommodative for the country's economic growth.

She said the country's fundamentals were still intact and that growth prospects should prevail when external conditions stabilised.

"The economic fundamentals will prevail to reflect the strength of the ringgit," she said.

According to Zeti, the central bank has taken prudent macroeconomic measures that included building up the country's foreign reserves and capping credit growth at a reasonable level "very much earlier on".

"When we built up our reserves, we were being questioned for building up too much than that were required by a country of our size," she said.

She added that the country's optimal level of reserves was "very much lower" compared with trades and financial activities.

On the country's current account surplus, she said: "We will continue to have a surplus in our current account, even though it might be a smaller surplus."

On top of that, Zeti added, the central bank had introduced cooling measures to contain rapid credit growth when there was a surge in foreign fund inflows.

As a result, household credit growth had moderated from the peak of 15% in 2010 to 10% currently, she said.

As for the country's fundamentals, she said a projected gross domestic product (GDP) growth of 4.5% to 5.5% was still considered steady while the 2.5% to 3.5% inflation rate was still very credible.

On top of that, public indebtedness had declined from 52.8% from 54.7%, she noted.

"As we strengthen our position to address our vulnerabilities, this places us in a very positive position because over a period of time when conditions stabilise, our currency and country's growth prospects will reflect our underlying fundamentals."

Nonetheless, that did not help with the weakening ringgit, which fell to a near six-year low of 3.607 against the greenback yesterday.

Zeti said volatility in the financial markets was not unseen by the country and that the more developed a country was, the more susceptible it was to external developments such as capital flows.

Some analysts were concerned as foreign investors hold some 40% of Malaysian debt papers and the fear was the ringgit would depreciate significantly should they sell their bonds.

To this, Zeti said short-term investors might have fled from the domestic market but the country had other long-term investors such as pension funds, sovereign wealth funds and other central banks.

"These are more stable investors so we don't expect an exodus like what was suggested."

Quoting the example of South Korea during 2009, she said the won had appreciated some 30% to 40% before all the gains were erased due to fund reversals.

In comparison, the ringgit which appreciated by about 12% depreciated at the same rate, implying a lower volatility.

Back in 2009, Malaysia's foreign reserves fell by US\$30bil compared with South Korea's US\$70bil.

She also noted that the country continued to receive foreign direct investments (FDIs) of RM24bil annually as Malaysia was still one of the preferred destinations for FDIs.

"If we should ever have a deficit, we will still have financing in the form of FDIs."

She assured that the central bank would support the real economic sector as well as keep tabs on the financial market so that it continued to be "orderly".



Wednesday, 21 January 2015

## **12. Government spending to be cut by RM5.5bil this year**

PUTRAJAYA: Datuk Seri Najib Tun Razak announced a RM5.5bil cut in government spending to maintain economic growth at between 4.5% to 5.5% this year amid plummeting oil prices.

Although the Government is cutting its Operating Expenditure this year - which includes deferring the National Service programme and freezing allocations on new government vehicles and office equipment - Development Expenditure worth RM48.5bil for infrastructure projects would be maintained and spent.

In addition, the Prime Minister announced 36 measures to help the people, including a RM3.29bil allocation for flood victims as well as steps to boost tourism and small and medium-scale industries.

"We are not in crisis. Indeed, we are taking pre-emptive measures following the changes in the external global economic landscape which is beyond our control," Najib, who is also Finance Minister, said in his special address to the nation, broadcast live on television and radio.

Ministers, heads of government linked companies and representatives from civil society groups attended the event held at the Putrajaya International Convention Centre.

With the price of the benchmark Dated Brent oil falling by over 50% per barrel in the past six months from US\$115 (RM414) on June 19 to US\$48 (RM173) on Monday, Najib said the consensus

among economists was that the forecast price of US\$100 (RM360) per barrel used in the 2015 Budget was no longer realistic.

As such the Government has decided to revise downwards its forecast for the average baseline oil price to US\$55 (RM198) per barrel for this year.

The falling oil prices has also led the Government to revise this year's target for the fiscal deficit - the gap between government spending and revenue.

The deficit which was set at 3% of Gross Domestic Product (GDP) in Budget 2015 would now be revised to 3.2%, which would still be lower than the 3.5% recorded in 2014.

Najib said that without any fiscal measures, the deficit would increase to 3.9% of GDP this year.



Saturday January 24, 2015

### **13. PAC will not audit 1MDB, says Nur Jazlan**

PETALING JAYA: The Public Accounts Committee will not audit 1Malaysia Development Berhad (1MDB) as it has been audited by another international firm, PAC chairman Datuk Nur Jazlan Mohamed said.

"First of all they have professional accountants who are more capable, as they have the manpower of chartered accountants and such.

"Secondly, (the international auditing firm) will need to do a thorough job as they have their reputation to lose if things go wrong," he told *The Star Online*, Saturday

"In case any new documented evidence comes up, (PAC) will definitely look into it, but at this point of time, everything is still clear, and going in to audit again would not make much difference," he added.

The PAC chairman, however, said it would be better if representatives from 1MDB provided clarification on certain matters.

"A lot of things have been said about them, considering the fact that there is always a new CEO and a change in the administration, I feel that they should do the necessary to fix the damage that has been done against them.

"Like Tony Pua (Petaling Jaya Utara MP) for instance, he asked for clarification, and I feel that someone from 1MDB should come forward and provide that," Nur Jazlan said.

#### 14. Asean to declare single market, says Mustapa

DAVOS: Asean will officially call itself a single market by year's end, but "big things" like seamless travel within the 10-nation bloc would only come in 2020, Malaysia's trade minister told *AFP* in an interview.

"We're going to declare ourselves as an Asean Economic Community," said Datuk Seri Mustapa Mohamed. Malaysia holds the rotating presidency of the South-east Asian bloc this year.

"We don't have complete integration or harmonisation yet, 2015 is laying the stage for bigger things to come," he said on the sidelines of the World Economic Forum in Davos.

"We're going to get almost there by 2015 but the big things like seamless travel ... would come in 2020.

"What's important is that we're committed, I'm not saying that we're backtracking," added the minister.

The South-East Asian bloc, a market of about 600 million people, had set 2015 as a deadline for integrating the region's vast economies into a single European Union-style market, with tariffs abolished and free movement of skilled workers.

But there is much scepticism that the targets could be met, as the bloc is made up of countries in vastly different stages of economic development.

Myanmar, for instance, is just opening up its economy after decades of isolation over its outright military rule which came to an end in 2011.

At the opposite end of the spectrum is Singapore, which ranks among the world's richest nations.

Mustapa acknowledged that it would only be "in 2020 that you'll see more progress in Asean economic integration" in term of the abolishing of non-tariff barriers, and flow of skilled labour.

By year-end, there will be "freer movement of goods and services but not free movement of goods and services."

The business community has been pushing political leaders to move faster on integration, but Mustapa said the Asean model was gradual.

"The business community wants Asean to be integrated as one entity. The fact is that there are border issues, customs, immigration, and different regulations," he said.

In addition, there is little understanding among the general public on how a single market can change their lives, said the minister.

"Some fear that they would be robbed of their jobs, that come December 2015, I'll be out of job because my Malaysian friend is coming over," he said.

"We need to do a lot more in terms of communication."

Asked if Europe's recent economic woes over heavily indebted member states like Greece had put off integration plans, Mustapa said that "from day one, we know that we're not going to adopt the EU model".

A single currency or a parliament were never part of the bloc's plans, he said.

Asean groups together Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.



Wednesday, 28 January 2015

#### **15. Zeti: No one single entity will pose systemic risk**

PUTRAJAYA: Bank Negara will not allow any "systemic" effect from an individual company to impact the country's economy, according to governor Tan Sri Dr Zeti Akhtar Aziz.

"We will never comment on an individual entity, but we have arrangements to deal with it so that no individual entity will have a systemic implication on the overall financial system of our economy," she said when asked on 1Malaysia Development Bhd (1MDB)'s huge outstanding debts.

Zeti was speaking to reporters after a signing ceremony where the Malaysian Government and the World Bank Group signed an agreement for the establishment of a World Bank Group office in Sasana Kijang, Bank Negara in Kuala Lumpur.

Zeti said it was not up to Bank Negara to decide on the extension given to 1MDB but the lenders.

"In the case of any extension being provided, that is not by Bank Negara; it is from the lenders who are the commercial banks. They made those decisions," Zeti said.

Asked if the investments have been brought back from the Cayman Islands, she said: "We do not comment on individuals."



1MDB had earlier missed a payment on a RM2bil bridge loan that was due last year to local lenders. That hit its bonds and fuelled investor concerns about the country's economy.

In a report yesterday, *Bloomberg* said that 1MDB was planning to seek another one-month extension on the RM2bil loan to give it more time to sell a stake in its energy unit.

On another note, Zeti said the country's gross domestic product (GDP) growth for 2014 was expected to be within forecast.

GDP growth for 2014 is expected to be between 5.5% and 6% and has been revised down to 4.5%-5.5% this year from the initial forecast of 5%-6%.

Zeti said the country's projected inflation rate of between 2.5% and 3.5%, highly capitalised banking system and credit growth of 10% supported sustainable growth.

In addition, she said the ringgit, which is currently trading near its six-year low, did not reflect Malaysia's strong underlying fundamentals.

"Once the global events settle down and stabilise, the ringgit will trend towards our underlying fundamentals," Zeti said.

Commenting on the European Central Bank's quantitative easing (QE) programme, she said if the measures provided financial stability to global financial markets including Europe itself, it would be positive for Malaysia.

"QE provides stability to global financial markets including in Europe itself, this will be positive. We have already experienced the QE from the US and most emerging markets demonstrated their ability to ride out that, including the tapering. Of course, we see surges of inflows and then reversals of these flows," Zeti said.

Earlier, Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah said in his speech that the World Bank office here would undertake sharing and research activities.

"It will facilitate Malaysia to share its rich development experience with other developing members. At the same time, Malaysia will benefit from the international experience and expertise of the World Bank Group, particularly in our transformation efforts to become a high income and advanced nation.

"Malaysia has achieved significant progress, among others, in reducing poverty, creating a business friendly environment, developing small and medium enterprises, ensuring financial stability and promoting Islamic finance.

"These will be some of the areas for knowledge sharing. In addition, the office will undertake research in key development areas as well as global indicators for the World Bank Doing Business Report," Husni said.

World Bank East Asia and Pacific regional vice-president Axel van Trotsenburg said: "Our partnership with Malaysia will boost the World Bank's ability to remain a source for innovative solutions to help developing countries achieve what Malaysia already has.

"Such knowledge-sharing will be a big gain for everyone, and particularly fitting of nation transitioning to a high income, developed economy."



Friday 30 January, 2015

#### **16. RM1.8mil for new railings at PPR flats**

PETALING JAYA: The Federal Government has allocated RM1.8mil to replace all railings at the People's Housing Projects (PPR) flats in Section 8, Kota Damansara.

This emergency allocation came after five-year-old Mohammad Zul Hazriq Danish Alden fell to his death from the sixth floor of Block B.

"The money is already there, and I hope this project will be carried out as soon as possible," said Selangor Umno chief Datuk Seri Noh Omar.

He added that the allocation would be split into two portions - one to fix railings and the other to replace electrical wiring in the flats.

"We will see how much is needed to fix the railings. If the quotation exceeds RM1mil, then we will put the wiring repairs on hold," he said at a press conference yesterday.

With him was Kota Damansara MP Halimaton Saadiah Bohan.

However, there is no firm deadline for the railings to be fixed.

"It will be carried out after the tender process is done," said Noh.

"I hope the railings will be fixed immediately as we don't want a third case to happen," said the flat's chairman Johari Nander.

He said the Petaling Jaya City Council (MBPJ) did perform some repairs after a boy fell to his death through a gap in the railings at Block D in June 2013.

"We were not really sure of the extent of the repairs done," Johari said.

"Even so, another death has happened now, and we want something done immediately."

When contacted, MBPJ said it had handed the flats over to the Selangor Housing and Property Board, which is responsible for the maintenance of the flats.



Friday 30 January, 2015

#### **17. Expert: GST to have minimal impact on property sector**

KUALA LUMPUR: The goods and services tax (GST) is expected to be a mere blip on the property sector, with a rise of not more than 3% to 4% in terms of property prices, according to property consultancy Rahim & Co executive chairman Tan Sri Abdul Rahim Abdul Rahman.

Abdul Rahim said although the residential sub-segment is GST-exempt, building materials, labour and machinery are not, so developers would have to take this into consideration.

"There will not be more than a 3% to 4% price hike in residential properties, which is still lower than the 6% GST," he told a press conference after the launch of the company's *Property Market Review 2014/15* here yesterday.

However, he said prices, inclusive of the GST component, were expected to gradually increase in the range of 7% to 10%, which is a slower-but-steady growth compared with the double-digit growth of previous years.

This increment is not only due to the GST, but also the market's supply and demand mechanism, he added.

"Buyers, sellers and developers are likely to adopt a wait and see attitude," he said.

Abdul Rahim said while the GST would only have a "temporary and limited impact", the greater issue in the overall property sector remains one of affordability.

He said such issues would persist, which, in turn, would increase the demand for affordable housing.

This is expected to add pressure on the Government to undertake speedier action.

He said the provision of more affordable housing might result in private developers reducing prices in order to compete with social housing being supplied by the Government.

He said Malaysia's housing affordability had deteriorated to 3.6 times in 2014 from 2009's 3.4 times.

The ratio compares the price of an average-priced, double-storey house with annual household income. The higher the ratio, the less affordable the house is.

Although a ratio of three to four times is still within the global average in certain parts of the country, this value has increased dramatically over the previous years.

The year 2009 is the commonly used benchmark year because property prices started their hefty increase from the end of that year.

According to studies by Rahim & Co, the least affordable terraced house is in Sabah, with a ratio of 6.2, followed by Penang at 5.9 and Kuala Lumpur at 5.6.