

Zeti: Nation on track to achieve 4% to 4.5% growth

By [Tan Siew Mung](#) / The Edge Financial Daily | March 31, 2016 : 8:56 AM
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KUALA LUMPUR: The country is on track to achieve Bank Negara Malaysia's (BNM) gross domestic product (GDP) growth projection of 4% to 4.5% unless oil prices collapse, said governor Tan Sri Dr Zeti Akhtar Aziz.

"Yes, I believe we are on track to achieve the GDP growth," said Zeti. "If we were not, you will see more measures being introduced."

She said the current oil price is in line with the US\$35 (RM137.55) to US\$40 per barrel estimation in the policy package that is already in place.

"Unless it (oil price) really collapses, then our financial market [will] also [be] extremely volatile, [and] there will be other measures," she told reporters after delivering her keynote address at the Responsible Finance Summit yesterday.

In its 2015 annual report, released earlier this month, BNM projected the economy to expand at a slower pace of 4% to 4.5% this year from 5% last year due to a slower growth in all sectors.

The growth projection is in line with official forecasts announced in the recalibrated 2016 Budget two months ago.

Commenting on the goods and services tax (GST), Zeti said it was having the desired effect in the first year of implementation.

“I can’t speak on behalf of the government; this is a physical policy decision,” she said, when asked if the 6% rate implemented since April 1 last year should be revised.

“But I do believe the government at this stage [will retain] the existing rate ... and so far, it is producing the desired results and households are adjusting to it,” she added.