

# Najib: MRT project will proceed as planned

BY **HEMANANTHANI SIVANANDAM**

**PUTRAJAYA:** Prime Minister Datuk Seri Najib Abdul Razak has given an assurance that work on the mass rapid transit (MRT) lines 1, 2 and 3 will proceed as planned, and said that the government is still in negotiations to build a high-speed rail (HSR) link between Kuala Lumpur and Singapore.

“There is no fixed timeline for the HSR project as it involves negotiations with the Singapore government and there are technical matters involved so we will come up with a schedule later on,” he told a news conference at his office here yesterday, after the Fiscal Policy Committee meeting which was chaired by the prime minister.

In its Economic Transformation Programme mid-year review last week, the Performance Management & Delivery Unit said that the government was committed to fiscal reforms as well as the spacing out of public projects, especially those with low-multiplier effects and high import content, to tackle the country’s budget deficit and ease pressures on the shrinking current account surplus.

Najib said the Fiscal Policy Committee’s assessment found that the

external environment is increasingly challenging, thus the moderation in the current balance of payment, coupled with continued fiscal deficits pose medium-term risks to the economy.

“Hence, strengthening the fiscal position is vital to sustaining the resilience of the economy, as well as further enhancing public and investor confidence,” he added.

Najib also said that over the medium to longer term, the government will look at ways to enhance its competitiveness and further diversify its export markets.

“The above measures will not only address the immediate concerns of the economy and the government’s financial position, but also strengthen public finances over the medium and long term,” the prime minister said, adding that the Fiscal Policy Committee will continue to hold meetings regularly to assess economic developments and the financial position of the government.

The government is confident of meeting its budget deficit target of 4% this year and expects the deficit to decline to 3% of gross domestic product in 2015.