

MEDIA STATEMENT

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**Khazanah's Authorised Comments on Budget 2011
by Tan Sri Dato' Azman Hj. Mokhtar, Managing Director**

Overall, this is a difficult but ultimately responsible budget done amidst the challenging backdrop of a fragile external sector and a slowing global economic recovery. The overall neutral fiscal stance year-on-year is in effect a balanced outcome to the twin risks of inflating too much or withdrawing stimulus too soon. Having achieved a reasonably balanced stance for the near term, and as the first year of the 10th Malaysia Plan, the budget needed to address the medium term challenges of structural transformation contained in the Prime Minister's bold New Economic Model ("NEM") and Economic Transformation Plan ("ETP").

In that regard, in addition to the specific measures and allocations on hard infrastructure and projects, the focus on building intangible capital and soft infrastructure is spot on. This is especially so in areas such as human capital development, corporate social responsibility ("CSR") and promoting more collaborative forms of investment that ultimately drives higher private sector investments.

Khazanah and its companies remain wholly occupied and committed to the ETP implementation in multiple sectors directly, in public-private partnership ("PPP") form and in collaborative investments. We are also active in the roll-out of various horizontal Strategic Reform Initiatives of the NEM such as human capital development, regulatory reforms and CSR.

End

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