

Tengku Zafrul's reappointment as finance minister a signal that fiscal stimulus remains on track: Economist

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PETALING JAYA: The reappointment of Tengku Datuk Seri Zafrul Tengku Abdul Aziz (*pix*) as finance minister in newly minted Prime Minister Datuk Seri Ismail Sabri's Cabinet signals that the implementation and execution of fiscal stimulus packages will remain intact, opined Bank Islam chief economist Dr Mohd Afzanizam Abdul Rashid.

He believes the return of familiar faces and portfolios in the new Cabinet line-up will bode well for investor confidence as well as business continuity.

“Such policy continuity should augur well with investors’ sentiment as there is better clarity and visibility on policy making,” Afzanizam told SunBiz.

“Therefore, the journey towards reopening of the economy has been assured,” he added, explaining that this would help allay concerns about policy uncertainty, which in turn would improve sentiments.

The Malaysian Employers Federation (MEF), meanwhile, said the new Cabinet must provide continuity and consistency to ensure that efforts to urgently resuscitate the national economy and alleviate the Covid-19 situation are effective.

MEF president Datuk Dr Syed Hussain Syed Husman hopes the new ministers will engage with industry stakeholders to speed up the plans. The federation, he said, is pleased that the Ministry of Human Resources and the Ministry of Finance have remained intact as time is of the essence.

“The economy, the Covid-19 situation and the coming national budget are among some of the important matters before us and we should not risk making any major changes as it may disrupt plans that are already in place,” said Syed Hussain.

He said employers are faced with increasing Covid-19 issues amid a very weak economy with businesses suffering and the new budget on the horizon.

“We hope there will be political stability so that those in ministerial positions can focus on these critical issues. To add to this, we need to address the rising rate of unemployment as a result of business closures, and the high death rate due to Covid-19.”

On Friday, the FBM KLCI closed 4.42 points or 0.28% higher at 1,590.16 – the highest since June 3, 2021 – from a previous close of 1,585.74 despite continuous profit-taking activities following a five-day rally. The resilient performance of Bursa Malaysia’s key index was led by IHH Healthcare Bhd, which gained 51 sen or 8.75% to RM6.35 sen a share.

Aside from the market barometer, Bursa’s energy index and healthcare index also saw a rally as they closed 22.18 points or 2.96% and 50.9 points or 1.86% higher, respectively.

Ismail Sabri unveiled his largely unchanged Cabinet on Friday, which saw some switching of portfolios between certain ministers in the previous line-up.