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## Economy doing better than forecast

**KUALA LUMPUR:** The government is optimistic over Malaysia's economic growth rate despite the producer price index (PPI) shrinking by 1.8% year-on-year in June.

Deputy Finance Minister Datuk Amiruddin Hamzah said the PPI for the last three consecutive months was much higher than what the market had forecast.

"The data showed that we are moving in the right direction and are able to bring down the numbers for unemployment, while our inflation rate is moderate," he told reporters after the Lee, Hishamuddin Allen & Gledhill Tax, SST and Customs seminar yesterday.

"The country's gross domestic product in the first quarter advanced by 4.5%, which is a good percentage," he added.

Meanwhile, MIDF Research in a statement yesterday said it foresees the PPI growing further into deflation this year at -1.5% from -1.1% in 2018.

The research firm said this was mainly due to domestic oil prices which are expected to be on the low side even with the removal of the RON95 price cap, in line with declining global crude oil prices.

Earlier, Amiruddin said the government was looking at increasing sources of revenue.

"It doesn't always mean introducing new taxes or increasing the tax rate. There is always another alternative, especially when the amount of leakage and non-compliance is high."

He said in the 2019 Budget, the government announced the Voluntary Disclosure Programme to allow taxpayers to voluntarily declare their income, including offshore income.

"As of June, about 480,000 voluntary disclosures had been received by the Inland Revenue Board.

- Bernama