

Malaysia Well-positioned To Face Economic Crisis If Global Trade War Breaks Out – Amir Hamzah

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PUTRAJAYA, April 4 (Bernama) – Malaysia is well-positioned to face any economic crisis following fears that the United States’ (US) sweeping tariffs on 168 countries, including Malaysia, will start a global trade war.

Finance Minister II Datuk Seri Amir Hamzah Azizan said brisk consumption expenditure as a result of the Rahmah cash contribution programme, as well as foreign portfolio investment inflow into the bond market, have strengthened Malaysia’s fundamentals.

“We will manage any economic crisis that may emerge,” he told reporters at a press briefing today ahead of next week’s ASEAN Finance Ministers and Central Bank Governors’ Meeting (AFMGM) from April 7-10, 2025.

Malaysia is also constantly diversifying its export market, and the economic outlook is promising, he said.

“We will continue efforts to attract foreign direct investments, especially high-value industries,” he said. “Let’s focus on things that we can control and build resilience, such as providing enough funds for local businesses.”

The government recognises that it is more important to have a more balanced economy, which was why the minimum wage was raised recently, besides a government sector salary revision.

“Malaysia’s dependence on foreign debt is less than three per cent because there is a lot of depth in domestic capital,” he said.

Amir Hamzah said financial institutions are actually “happy” to buy government and corporate bonds.

Government-linked investment companies (GLICs) have also committed to stepping up their investments, especially in sustainable ventures, over the next five years.

This would amount to billions of ringgit, a huge stimulus for the economy, and this would help to create momentum domestically, he said.

Foreign portfolio investors are also switching to bonds from equities, which means that foreigners are investing in the ringgit. This helps to remove foreign exchange risks, Amir Hamzah said.

They are coming in because they are comfortable with the Malaysian economy. The outlook is therefore positive with stability in place, he said.

Contrary to comments about foreign investments leaving, he said: “We have actually seen quite a lot of money coming back to Malaysia into the bond market. With enough money flowing around, local businesses gain and these are things we can control,” he said.

Amir Hamzah gave the assurance that Malaysia’s gross domestic product (GDP) was strong, supported by a healthy dose of ongoing construction and manufacturing activity and FDI inflows.

The targeted subsidy payout to some 5.4 million was also fueling consumption.

“Consumption expenditure is reflective of wealth generated,” he said.

The public and the more than 300 delegates attending the AFMGM would be privy to a Malaysia Open House exhibition @ ASEAN KL 2025 featuring local products, career opportunities and tourism information.

Small businesses can also apply for TEKAD financial social programme’s business grants to assist low-income microentrepreneurs, he said.