

## **Najib should admit error in sunny GNI figure**

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COMMENT Prime Minister Najib Abdul Razak should issue an immediate correction to his 'boast' that Malaysia's gross national income (GNI) per capita has increased by 49 percent from 2009 and 2012.

Najib should also explain the failure of his Economic Transformation Programme (ETP) to achieve its six percent growth target for 2011 and 2012

After 'boasting', not once, but twice, on national television that Malaysia's GNI per capita has grown by 49 percent from US\$6,700 in 2009 to US\$9,970 in 2012, the CEO of Pemandu and Minister in the Prime Minister's Department Idris Jala has revised this growth figure down to 41 percent.

This was after DAP parliamentary leader Lim Kit Siang, as well as executive director of Research for Social Advancement (Refsa) Teh Chi Chang and I criticised the prime minister and Pemandu for misleading the people by using the wrong numbers to calculate the growth in our country's per capita GNI.

It was reported in Kinibiz that "Pemandu said the change in figures was due to the adoption of the latest version of the United Nations Systems of National Accounting (SNA 2008) in 2012 which had pushed the GNI per capita up for 2009 from US\$6,700 to US\$7,059."

One wonders why, with all the resources Pemandu has, that it did not correct this figure earlier, especially when the aforementioned United Nations figure was available in December 2012?

Was Pemandu merely incompetent in providing wrong figures to Najib, who is also finance minister, or was he hoping that the Malaysian public would not notice this intentional manipulation of figures in order to inflate the ETP results?

Ringgit figures paint bleaker picture

The fact is that using GNI per capita figures in US dollars clearly exaggerates the growth in our economy in a way that masks the actual failure of the ETP to deliver on its targets.

If the prime minister had used GNI per capita in ringgit instead, which is the figure published by most, if not all, of the relevant departments and agencies - the Department of Statistics, the Ministry of Finance, Bank Negara Malaysia - our GNI per capita growth rate would have come in at a much more pedestrian 24 percent, from RM24,879 in 2009 to RM30,809 in 2012.

In fact, this growth rate works out to an annual rate of 7.4 percent (compounded) from 2009 to 2012, which is lower than the 8.2 percent GNI per capita growth rate from 2001 to

2010, when there was no ETP or Pemandu.

The exaggeration of the GNI per capita figure also hides the reality that the ETP failed to deliver on its promise of a six percent annual real growth rate since real GNI grew only by 4.3 percent in 2012 and by 4.9 percent in 2011.

Given this new revelation made by Idris Jala, Najib should have immediately made a correction to his announcement that Malaysia's GNI per capita has increased by 49 percent from 2009 to 2012.

He should also clarify that Malaysia's GNI per capita in ringgit has only increased by 24 percent from 2009 and 2012 and explain to the Malaysian public why the ETP failed to deliver on its six percent growth target for 2011 and 2012.

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