

PM: Malaysia on track to becoming high-income nation

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Malaysia is on track to achieve its goal of becoming a high-income nation by 2020 despite the current volatile global economic situation, Prime Minister Najib Abdul Razak said in New York yesterday.

However, Najib said, the country must always be prepared for changing conditions and external shocks that were beyond its control.

Speaking at the 5th Global Science and Innovation Advisory Council (GSIAC) at a hotel in midtown Manhattan in New York, he reiterated that the fundamentals of the country's economy remained strong and there were indicators that showed its economy was on the right track.

Unlike during the 1998 Asian economic crisis that saw the economy contracted by negative seven percent, Najib said the Malaysian economy was expected to grow at a rate of five percent.

He said learning from the 1998 crisis, the government had managed to reduce fiscal deficit from negative 6.7 percent in 2009 to 3.2 percent this year.

"Hence, the banking and financial system continues to have strong capitalisation and ample liquidity. The rate of non-performing loans and inflation are low and manageable," he said.

He also cited the success of national policies, in particular the National Transformation Policy, that led to a decline in poverty rate to just 0.6 percent in 2014.

Najib said about 1.8 million jobs had been created since the launch of the Economic Transformation Programme in 2010.

At the same time, the prime minister said, ratings and reports by international financial agencies such as Fitch Ratings, Moody's, Standard & Poor's had reflected the actual picture of the current economic management in Malaysia.

Malaysia was also ranked 12th out of 60 countries in the World Competitiveness Yearbook 2014.

"The nation's well-being and the welfare of the people have always been my foremost concern and priority," Najib said, adding that it was important to strike a balance between the capital economy and the people's economy.

He said capital economy referred to economic management and policies from the macro perspective and the people's economy focused on issues affecting the daily lives of the

people such as cost of living, household income, employment and business as well as security and safety.

“We have achieved all these successes because we have not been averse to evaluating our performance in an open and transparent manner, and to make the changes that prevailing conditions demand,” he said.

GSIAC was initiated by Najib in 2011 as part of his efforts to transform Malaysia from a middle-income country to a high-income economy by 2020.

Among those present at the meeting were Science Adviser to the Prime Minister Zakri Abdul Hamid, Executive Vice-President and Chief Executive Officer of the New York Academy of Sciences TC Westcott, Minister in the Prime Minister’s Department Abdul Wahid Omar and Johor Menteri Besar Khaled Nordin.

- Bernama

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