

Malaysia's GDP to exceed US\$1 trillion by 2030, says study

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Malaysia, Indonesia, the Philippines and Thailand are expected to join the ranks of Asian nations with a Gross Domestic Product exceeding US\$1 trillion (RM3.9 trillion) by 2030, according to a study by US-based global information company IHS Inc.

"This will help to increase the geopolitical and economic importance of Asean and economic grouping in international diplomacy and the global dialogue on trade, investment and international standards-setting," said IHS chief economist Asia Pacific, Rajiv Biswas.

In a statement today, IHS said that South-East Asia is expected to be one of the world's fastest growing regions with these four Asean nations.

Referring to Malaysia as Asia's next advanced economy, the IHS report said that Malaysia's economy is forecast to achieve a per capita GDP of US\$20,000 (RM78,174) by 2025, with total GDP exceeding US\$1 trillion by 2030.

Biswas pointed out that the structure of the Malaysian economy will continue to shift towards higher value-added manufacturing and services.

"Strategic growth industries in the services sector will include financial services, healthcare, education, commercial aviation, tourism and the IT-Business Process Outsourcing industry, as Malaysia becomes an increasingly important services, services-exporting economy for South-East Asia," said Biswas.

Indonesia's GDP is forecast to grow at five percent per year over 2016-2020, supported by strong growth in consumer demand and infrastructure investment, he added.

"By 2020, Indonesia will have already become a nation with a GDP size exceeding US\$1 trillion, and by 2030, Indonesian GDP is projected to exceed US\$3.7 trillion," said Biswas, adding that Indonesia is South-East Asia's largest economy and one of the world's largest emerging markets.

The Philippines, he said, has shown rapid GDP growth averaging at around six percent per year over 2011-2015, with GDP growth of 5.8 percent per year forecast over 2016-2018.

"The total size of the Philippines' economy is projected to grow from US\$300 billion in 2016 to US\$700 billion by 2025, and a US\$1 trillion economy by 2030," Biswas added.

Meanwhile, the Asean frontier markets of Vietnam, Myanmar, Cambodia and Laos are forecast to continue to grow rapidly.

The IHS study showed that Vietnam will grow at a pace of around 6.5 percent per year over

the medium term, with rapid growth in manufacturing exports of electronics and garments driving industrial development.

"The new EU-Vietnam Free Trade Agreement and the planned Trans-Pacific Partnership Agreement (TPPA) deal will significantly boost Vietnam's market access to the EU and the US for its manufacturing exports by reducing tariff barriers substantially," he added.

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