

M'sia must strengthen domestic economy to face external forces: Anwar

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Malaysia must enhance its economic foundation and strengthen its resilience to shield the nation from the ripple effects of external forces, including geopolitical tensions, said Prime Minister Anwar Ibrahim.

He said while the government's Madani Economic Framework is carefully designed to ensure the smooth execution of its plans, some exposure to global factors remains unavoidable.

"We couldn't have predicted the geopolitical shifts in the Middle East or the political changes unfolding worldwide.

"That's why reinforcing our domestic and internal strength is critical. This is our top priority, and it's essential that the people understand this," he said.

Anwar emphasised that building internal resilience requires commitment from leaders, civil servants, the private sector, and the public.

“If we have a strong domestic foundation, the impact from external pressures will be more manageable,” he said during a dialogue and forum on “A Year of Madani Economic Achievements” at the Southern Zone Madani Rakyat 2024 programme in Johor Bahru today.

Anwar, who is also the finance minister, highlighted that the ongoing efforts to strengthen the economy resulted in the economic growth of 5.9 percent in the second quarter of 2024 (2Q 2024), surpassing earlier forecasts.

The prime minister said this in response to a question about Malaysia’s readiness to face changes in global external factors while striving to meet the goals set under the Madani Economic Framework.

Targeted subsidies a necessary measure

On the subject of targeted diesel subsidies, Anwar stressed that the measure was implemented to prevent leakage in government funds which have also benefited the rich as well as foreign nationals.

He said the move was in line with the government’s efforts to reduce leakage of subsidies which have cost the government billions of ringgit, and put a stop to diesel smuggling.

“When we enforce the targeted diesel subsidies, people get upset. But the government must be responsible and do what is necessary.

“If there are additional measures to ease the burden on the people, we will implement them. For instance, some are entitled to RM200 but have not received it, so they must register with the Subsidised Diesel Control System (SKSD2.0), and we will ensure that they get it,” said Anwar.

Earlier, in his speech, the prime minister highlighted that Malaysia’s economic performance in 2Q 2024 had exceeded projections, driven by various initiatives and agendas implemented by the government under the Madani Economic Framework.

“All of this has bolstered investor confidence, and as a result, the ringgit has become one of the strongest currencies in our region, Alhamdulillah,” he said.

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