

Bold reforms needed to reach high-income status: group
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Malaysia needs to boldly reform economic policies to stay ahead of the competition and realise the aspiration of achieving the status of a high-income nation.

This is the view of Koong Lin Loong, deputy chairperson of the Associated Chinese Chamber of Commerce and Industry (ACCCIM) Small & Medium Enterprises and Human Resource Development Committee.

"To revitalise Malaysia's economic standing, we need to fall in line with global economic trends and reposition ourselves to be more competitive," said Koong, in an exclusive interview with Bernama.

He added that the recommendations by the National Economic Advisory Council (NEAC) on the New Economic Model (NEM) is a first step towards economic reform.

The first stage of the NEM is scheduled to be unveiled by the Prime Minister, Najib Abdul Razak, on March 30.

As to the consequences of staying on the current course, Koong said: "We will pay a high price if our economy is not reformed now.

"As part of Asean, Malaysia has today been almost overtaken by Indonesia and Vietnam.

"If we remain as we are, Malaysia will be able to only compare itself with countries such as Myanmar and Cambodia."

He explained that one way to overcome this, is to restructure Malaysia's incentive policies.

Current policy benefiting only foreigners

According to Koong, the current policy focuses on aspects relating to the industrial sector which has benefited only foreign manufacturers, with local SMEs being excluded.

He indicated that he agreed with the government's push towards strengthening the services sector.

"If Malaysia intends to push towards a high-income status, the country must not rely on labour intensive industries, as we are unable to compete with those countries that have cheap labour resources," he noted.

The NEM recommendation is centered on economic reform based on a holistic approach, aimed at building a united and advanced nation in line with the 1Malaysia concept.

The NEM can be described as an economic transformational process that will move Malaysia towards becoming a market-led, better governed, regionally integrated, entrepreneurial and innovation-driven nation.

The NEM also aims to foster a sense of inclusiveness amongst all Malaysians by promoting racial unity and increasing the livelihood of the poor and middle class.

On this, Koong said all Malaysians, regardless of race, must work together to transform the country's economy and global standing so that the economic cake can be best shared amongst all.

"It is the duty of all Malaysians to bolster the economy and help the under privileged," he added.

- Bernama

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