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PM: Economy set to grow as transformation plan bears fruit

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The GNI improvement has narrowed M'sia's gap towards high-income status from 33% to 19%

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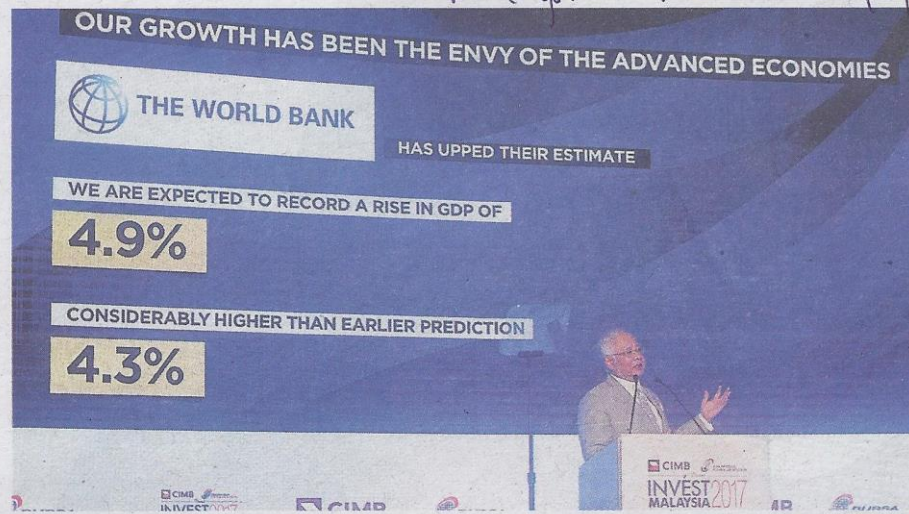
THE government has credited the New Economic Model for the country's commendable economic display in recent years amid turmoils on the global front.

Prime Minister Datuk Seri Mohd Najib Razak said Malaysia's economic indicators for the first-half of the year have been promising and the upgraded projections made by several key financial institutions point to growing confidence in the country.

"Our economy continues to prosper, and we are stronger than ever as a result of the reforms and the programmes the government has put in place," Najib said in his keynote address at Invest Malaysia 2017 in Kuala Lumpur yesterday.

He said between 2009 and 2016, the country's gross national income (GNI) has increased by nearly 50%, with GNI per capita using the Atlas method rising to US\$9,850 (RM42,177) over the same period.

The improvement has nar-



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rowed Malaysia's gap towards high-income status from 33% to 19% as the World Bank's high-income threshold stands at US\$12,235.

Najib further highlighted Malaysia's record performance in trade for the first-quarter of 2017, which jumped 24.3% to RM430.5 billion compared to RM325.9 billion last year. In March, exports posted the highest monthly figure at RM82.6 billion — breaching the RM80 billion mark for the first time.

Meanwhile, the capital market has also increased by 9% to RM3.1 trillion for the cumula-

tive six-month period of this year, ranking Malaysia fifth in Asia relative to gross domestic product (GDP).

The Malaysian bond market grew to RM1.2 trillion in 2016, while the country's Islamic capital market made an impressive average annual growth of 10% over the last six years to reach RM1.8 trillion as of June 2017.

Najib affirmed that the government offers certainty to businesses both in Malaysia and overseas.

"The point is that the confidence and certainty global businesses have in Malaysia

brings jobs, lifts wages and helps our workforce upskill," he said.

He added that Malaysia's improved economic performance is also due to the government's decision to diversify its sources of income, including reducing its reliance on oil and gas revenues from 41% in 2009 to 14% today and the imposition of the Goods and Services Tax (GST).

"GST has helped us in our determination to steadily reduce the deficit — we are on course to reduce it to 3% this year from 6.7% in 2009 — and GST has been crucial to

retaining our good assessments by the international ratings agencies.

"If GST was abolished, it would not just be a matter of a revenue shortfall. The deficit would rise from 3.1% to 5%.

"Government debt would rise above our self-imposed level of 55% of GDP. Our sovereign credit ratings would then be downgraded," Najib said.

Concurrently, Najib urged all public-listed companies (PLCs) to have a 30% proportion of women at the board level by 2020.

He said currently 17 top 100 PLCs have no women on their board and called on these companies to "immediately" address the lack of diversity at the top management level.

"I would like to announce that from 2018, the government will name and shame PLCs with no women on their boards. We have set 2020 as the date by which we want all PLCs to have at least 30% women at board level.

"Because we know that when women succeed, we all succeed," Najib said.

To date, Najib said Malaysia has seen a significant increase in female labour force participation, rising from 46% in 2009 to 54.3% last year, an addition of over 700,000 women in the workforce.