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RIGHT MEASURES

PM: TOUGH DECISIONS BOOSTED GROWTH

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Rationalisation of subsidies, economic transformation, GST, benefited nation, says Najib

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THE government may not have made populist decisions in running the country, but the tough choices have proven crucial in boosting Malaysia's economy, Prime Minister Datuk Seri Najib Razak said.

Among the tough decisions made by the government were the introduction of subsidy rationalisation and the Good and Services Tax (GST), he said, adding that the moves proved to be productive and progressive measures that benefited the country.

"We rationalised and removed subsidies. We reduced government reliance on oil and gas revenues from 41 per cent in 2009 to just 14 per cent today, and we introduced the GST (on April 1, 2015) to widen the tax base.

"These were not always popular measures to take, but they were the right measures.

"Many had advised me against it, but we are not a populist



Prime Minister Datuk Seri Najib Razak, Securities Commission Malaysia chairman Tan Sri Ranjit Ajit Singh (right) and International Organisation of Securities Commissions (IOSCO) board chairman Ashley Alder at the launch of IOSCO Asia Pacific Hub in conjunction with the Global Emerging Markets Regulatory Conference 2017 at the Securities Commission Malaysia in Kuala Lumpur yesterday. PIC BY SAIRIEN NAFIS

government," he said in his speech before launching the International Organisation of Securities Commissions (IOSCO) Asia-Pacific hub yesterday.

To ensure the country's economic growth would be consistent and sustainable in the long run, Malaysia initiated the Economic Transformation Programme (ETP) in 2010, he said.

Najib said since the implementation of ETP, absolute poverty had virtually been eliminated, 1.8

million jobs had been created, and the gross national income had increased by nearly 50 per cent.

The economy, he said, had to be capable of maintaining its trajectory through all phases of the business and financial cycle.

"As such, we sought to build resilience into the structure of our economy by diversifying from commodity exports to manufacturing and services, as well as strengthening the stability of our institutions," he said, reiterating

that these were where the tough decisions came in.

"Of course, we'd like to win the election, but we will take whatever (steps) necessary to make the right decisions. Although unpopular, they are the right decisions."

Najib said similar scenarios were happening globally. He pointed out that India, for instance, planned to implement GST at the top rate of 23 per cent next month, and that Saudi Ara-

bia would follow suit in 2018.

Despite the challenging global times and the fall in oil prices, he said, Malaysia had sustained growth of 4.2 per cent last year, "a figure that is the envy of many advanced economies".

Moving forward, he noted that the government was set for an improved outlook ahead, with stronger trade activity, better export performance and domestic demand being key driving factors.

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