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Malaysia to see higher GDP growth in 2017-2018, says Najib

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Measures taken to build economic resilience include the removal of fuel subsidies, introduction of GST

by P PREM KUMAR & MARK RAO

THE Malaysian economy is expected to grow more than 4.2% this year and in 2018, outperforming most developed economies, said Prime Minister Datuk Seri Mohd Najib Razak.

Najib said the gross domestic product (GDP) growth targets for this year and next signify that Malaysia could expand at more than double of International Monetary Fund estimation for advanced economies over the same period.

He attributed this develop-

ment to economic measures, albeit tough, implemented by the government.

"As the result of those tough choices, we built the resilience that — even in these difficult times for the global economy — still saw us registering a growth of 4.2% in 2016.

Among the measures taken by the government to build economic resilience included the removal of fuel subsidies and introduction of the Goods and Services Tax (GST).

"We expect a slightly higher figure for this year, and for it to rise in 2018," he said in his opening address at the Global Transformation Forum 2017 in Kuala Lumpur yesterday.

The prime minister said prior to the introduction of the National Transformation Programme (NTP), Malaysia was caught in the middle-income trap, and a tough decision had



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to be taken in order to escape it.

He said Malaysia is seeing strong and consistent growth with its fiscal deficit cut from 6.7% in 2009 to 3.1% in 2016.

"I am not saying everything is perfect...there are some downside risks and challenges such as managing household debt, the need to improve productivity and move up the value chain, as well as the insufficient household savings. But we will address these head-on with appropriate measures," Najib said.

- He added that it is important that neutral observers see the bigger picture of what the country has done, will continue to do and its commitment to reform and see the results of the transformations thus far.

"Even with the achievements we have gained under our belt, our work is not done. The government has also recently set a new goal to be a top 20 country by 2050.

"PriceWaterhouseCoopers predicted Malaysia will have the 25th highest GDP in the world by 2030 — measured by

purchasing power parity — and the 24th by 2050. So a top 20 rank is within our grasp," said Najib.

He said the top 20 economy aspiration means the government has to continue its transformation journey.

Since NTP's introduction in 2010, Najib said the country's gross national income has grown by nearly 50%, besides creating 1.8 million jobs, where one million were high-income jobs.

The master plan has also helped the government to eradicate poverty by reducing it to a mere 0.6% nationwide, while also keeping inflation and unemployment low.

"We are firmly on the path to become a high-income nation. In short, we have an economic plan...that plan is working, we have delivered and we will continue to deliver."