

Roadmap to reform the economy

Anwar to outline initiatives under new Madani narrative in August

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PETALING JAYA: Leveraging the green economy as a source of business growth and high quality jobs will be among the highlights of the unity government's big picture roadmap of how it wants to reform the economy

Other pillars of the roadmap, called the Madani economic narrative, will outline where Putrajaya wants to funnel investments, said Datuk Seri Anwar Ibrahim yesterday.

Speaking to reporters after a meeting with the National Economic Action Council in Putrajaya, the Prime Minister revealed that the Madani economic narrative would be announced in August.

The roadmap would also spell out details on the national energy transition plan and what other subsidies would be rationalised so as to only benefit the middle and low income households and individuals, he added.

Anwar said the narrative would provide clear directions for each ministry and agency in implementing the unity government's economic plans.

"In the meantime, policies that need to be immediately implemented will be continued but the importance of this narrative is that it gives a clear direction and eases the work of the ministries and agencies involved.

"We have some economic principles that we touched on briefly in the Madani handbook but the

Economic Affairs Ministry and other ministries, together with the private sector, are involved in stakeholder meetings to formulate some of the policies in areas that I mentioned," he added.

The goals of the economic narrative would include creating a high value, sustainable economy, expanding social protections by empowering individuals and reforming the labour market, said Anwar.

Parts of the administration's push into the green economy have been announced in the past such as when it lifted the ban on exporting electricity from renewable sources.

In order to spur more investment in renewables, Economic Affairs Minister Rafizi Ramli said

the government had increased its target of achieving a national renewable energy mix to 70% by 2050, up from the 40% that was announced in 2021.

Rafizi said the government would also invest heavily in the digital economy to spur increases in productivity, jobs and poverty reduction.

At yesterday's press conference, the Prime Minister repeatedly emphasised that part of his administration's economic reforms included prioritising subsidies for the middle and lower income groups.

This could be seen in the recent announcements to cut subsidies for electricity use among large corporations and wealthy households, and subsidies for the haj

pilgrimage for high-income Muslims, he said.

"I don't understand why some people are questioning us on this.

"We will not compromise on not reducing subsidies for the rakyat.

"But it does not make sense to continue electricity and haj subsidies that benefit the rich," he said.

He added that a study from the Finance Ministry advisory committee found that at least 40% of all government subsidies were enjoyed by wealthier sections of the Malaysian society.

This principle would be used in the administration's re-allocation of other subsidies such as on diesel and petrol which will be announced in due time, he said.