

PM: Higher FDIs proof that govt policies are working

KUALA LUMPUR: Opposition claims the government's economic policies were "confusing" are belied by the fact that the country's political stability continues to attract foreign investments, says Datuk Seri Anwar Ibrahim.

The Prime Minister said that Malaysia's first quarter economic growth would not have surpassed that of Indonesia, Vietnam and China if the country's economic policies were confusing.

"If our policies are unclear, investments will not come, and these investments are serious," he said in reply to a supplementary question from Datuk Seri Hamzah Zainudin (PN-Larut) in the Dewan Rakyat here yesterday.

"Just a month after going to China, Geely (Chinese automaker Zhejiang Geely Holding Group Co Ltd) not only launched (a new Proton model) but also suggested expediting the Automotive Hi-Tech Valley (AHTV) project in Proton City, Tanjong Malim," he added.

Hamzah had asked the government to clearly state its economic plans for the country following "some confusion" raised by certain quarters in the business and corporate sectors.

Anwar said the country's economy recorded a growth of 5.6% in the first quarter of 2023, outperforming regional countries such as Indonesia (5%), China (4.5%), and Vietnam (3.3%).

He added that the government's political stability and policies on good governance had boosted investor confidence.

"Political stability has been reassuring, leading to more active investments now compared with before.

"However, now it's not just about the announcements of investments, but their implementation can be clearly seen.

"For instance, Tesla, Amazon (Amazon Web Services), and Geely are a starting point, and other countries will follow suit in due time.

"The policies that attract foreign investments are clear, and that's why they (investors) come. I don't see this as a problem.

"Like the Overnight Policy Rate (OPR) issue, it has only increased once in six months, but in 2022, it increased four times without becoming an issue. But now, it has become a big issue.

"What matters is a reduced deficit, lower inflation, low unemployment rate, and increased investments. These are the achievements of the unity government," said Anwar.

He also said that the first quarter growth figures were higher than what had been projected by Bank Negara Malaysia, which ranged from 4-5%.

Anwar further emphasised that confidence in the government's economic management was evident when credit rating agencies Fitch and Moody's maintained Malaysia's credit rating.