

FITCH'S 'BBB+' RATING

Anwar: Its a recognition of country's economic progress

KUALA LUMPUR: Fitch Ratings' investment grade rating for Malaysia is a recognition of the country's economic progress under the Madani Economy framework, said Prime Minister Datuk Seri Anwar Ibrahim, who is also the finance minister.

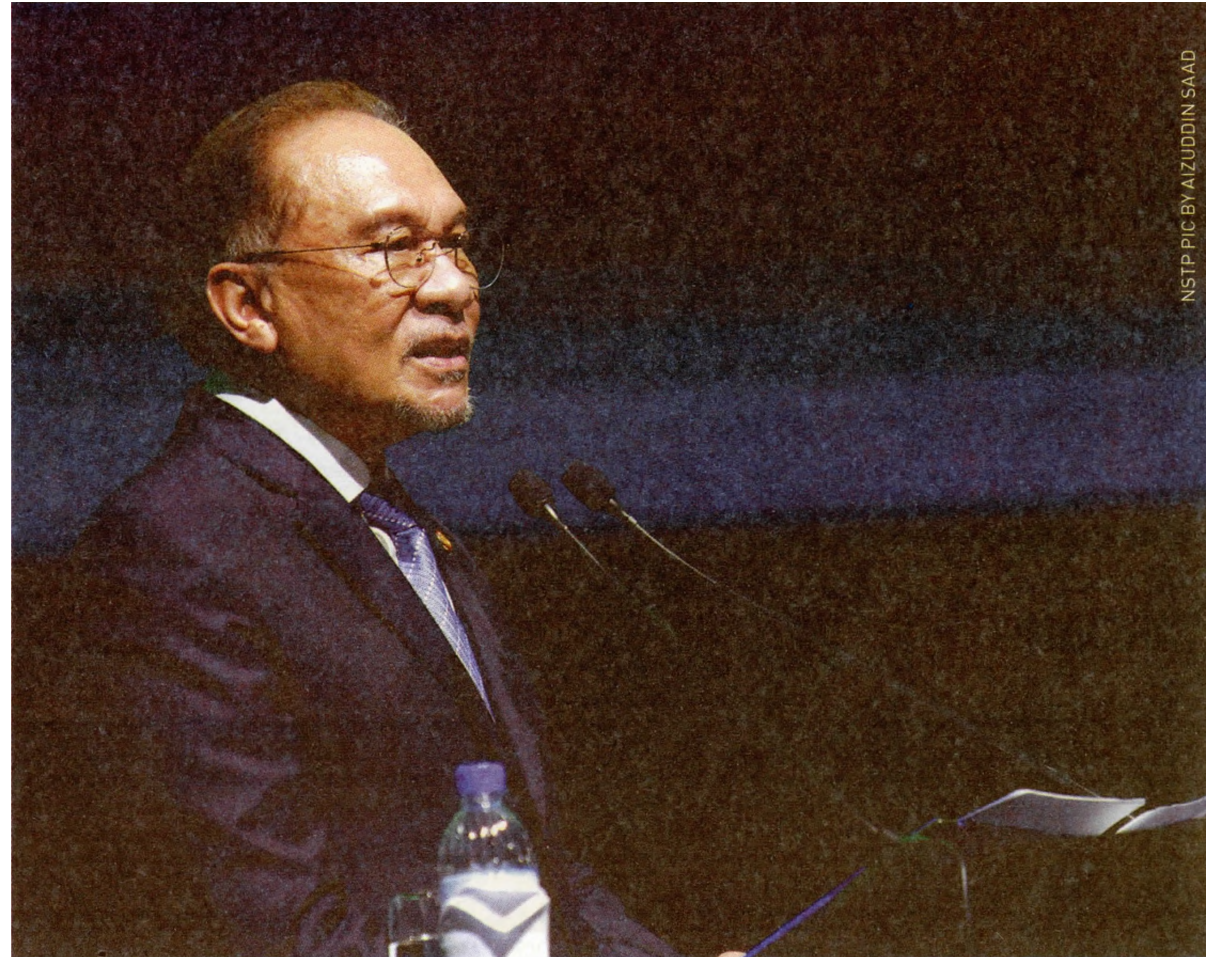
In a statement issued by the Finance Ministry yesterday, Anwar said the rating acknowledged the government's commitment to implement significant legislative and institutional reforms, which had resulted in better policy clarity and effective economic management.

On Monday, Fitch Ratings reaffirmed Malaysia's sovereign credit rating at "BBB+" with a "stable" outlook, citing the strong medium-term growth driven by robust domestic and foreign investments, persistent current account surpluses and a diversified export base.

The ministry said Fitch acknowledged that policy certainty had improved in the country as a result of a more stable government and demonstrated by the introduction of various economic reforms.

They include strengthening state-owned enterprise governance and introduction of legislation such as the Public Finance and Fiscal Responsibility Act 2023.

The rating is also in line with the International Monetary Fund's (IMF) views on the government's timely reform agenda in enhancing productivity and inclusive growth.



Malaysia's economy expanded by 5.3 per cent in the third quarter, supported by strong domestic demand and improved trade performance.

Thus, the government has revised upwards the 2024 gross domestic product (GDP) growth forecast to

between 4.8 per cent and 5.3 per cent from an earlier estimate of four per cent to five per cent.

Meanwhile, fiscal consolidation remains a priority, with the fiscal deficit projected to narrow to 3.8 per cent of GDP next year from 4.3 per

cent this year.

Moreover, the government also aims to prioritise institutional and structural reforms to transform Malaysia's economy, create high-skilled jobs, boost productivity and enhance its competitiveness.