Anwar: Growth projected at 4.5pc-5.5pc next year

KUALA LUMPUR

THE government has revised its economic growth forecast to 4.8-5.3 per cent this year from 4.0-5.0 per cent.

Prime Minister Datuk Seri Anwar Ibrahim said in the first half of this year, Malaysia demonstrated economic resilience with a sterling growth rate of 5.1 per cent.

This was driven by robust domestic demand, a strong recovery in exports and a thriving tourism sector, he said in the Economic Outlook 2025.

"These achievements underscore our economic dynamism and strength, with a projected steady growth rate of 4.8 per cent to 5.3 per cent this year, reaffirming the nation's resilience and potential for sustained prosperity.

"Looking ahead, the economy is projected to grow within the range of 4.5 to 5.5 per cent next year."

Anwar said Malaysia had also made significant strides in fiscal consolidation.

The country's fiscal deficit is anticipated to narrow to 4.3 per cent of gross domestic product this year and further improve to 3.0 per cent in the medium term.

As Malaysia approached 2025, Anwar said the global economy remained engulfed in a complex and challenging environment.

"While inflation is gradually receding and monetary policy begins to loosen, significant uncertainties persist.

"The recovery, while progressing, is fraught with risks from global instabilities and external shocks, raising concerns that underlying economic vulnerabilities may deepen, despite the emerging signs of temporary relief.

"Meanwhile, the world is watching with bated breath the unfolding of geopolitical uncertainties in Europe and the Middle East, which could very well threaten economic equilibrium."

Amid these global dynamics, Malaysia stood out as a beacon of stability and progress in Southeast Asia, he added.

"Our nation's robust economic fundamentals and strategic reforms have not only enabled us to navigate the turbulent waters of 2024, but also showcased our resilience in the face of global challenges."

Anwar said the Madani Economy framework had been instrumental in guiding the country's journey, fostering higher value-added activities and enhancing its economic competitiveness.

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>
> **DATUK SERI ANWAR IBRAHIM**
> Prime minister

"Our commitment to prudent debt management and the transition to targeted subsidies are central to fiscal reform, ensuring a sustainable and strong financial position for Malaysia. This provides a secure foundation for our future economic growth.

"Full employment, coupled with job availabilities and opportunities, are reflective of improved labour market conditions, which instil a sense of hope and optimism in the economy.

"Furthermore, the government's dedication in implementing policies that continue to support wage growth and ensure the economic pie is shared equitably among the rakyat, is testament to its commitment to a brighter future.

"Henceforth, we remain resolute in fulfilling our long-term vision of sustainable and inclusive growth."

The Madani Economy framework, Anwar said, would continue to serve as the guiding blueprint for economic policies and reforms.

"By fostering a competitive and innovative economy, improving public sector efficiency and promoting social equity, we aim to create a prosperous future for all Malaysians."

He said the government was optimistic that the 2025 Budget would bring Malaysia one step closer to realising the vision of Madani Economy, anchored by a whole-of-Malaysia approach.

"The year 2025 holds great promise for Malaysia as we continue to build on the foundations laid over the years. With the implementation of the Madani Economy framework, along with its policy levers, we are poised to strengthen our position as a leading economy in the region.

"Although challenges still abound, our collective resilience will bind us together in the spirit of unity to embrace the necessary changes, while remaining committed to sustainable and inclusive growth," he added.