

# MOODY'S REAFFIRMS MALAYSIA'S A3 RATING

This recognises govt's efforts to drive structural change, says Anwar

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**M**OODY'S Ratings affirmation of Malaysia's "A3" sovereign credit rating with a "stable" outlook recognises the Madani government's efforts to drive structural change, said Prime Minister Datuk Seri Anwar Ibrahim.

On Saturday, Bernama reported Moody's also stated that Malaysia's medium-term growth prospects remain buoyant.

The Finance Ministry, in a statement yesterday, said this reflected the government's consistent efforts to sustain economic growth and remain on course with fiscal reforms despite uncertainties reshaping the global economy and geopolitical fragmentation.

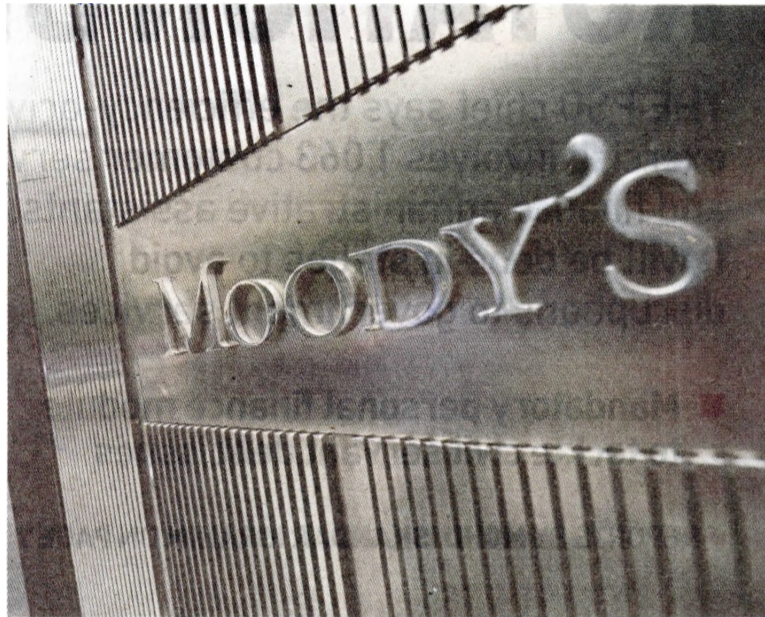
Anwar, who is also finance minister, said Moody's affirmation recognised the Madani government's efforts to drive structural change, guided by clear policy directions and a commitment to high governance standards.

"The government remains steadfast in pursuing economic reforms and fostering regional growth, ensuring its reform agenda is fulfilled for the benefit of Malaysians," he said in the statement.

Anwar said the government will drive fiscal and economic reforms further this year, as outlined in the 2025 Budget, while prioritising quality investments to create higher-income jobs and accelerating infrastructure developments to support economic diversification.

"We will also capitalise on Malaysia's chairmanship of Asean 2025 to lead the economic bloc into a unified economic order that thrives on cooperation and engenders a mutually beneficial outcome for the region."

According to Moody's, Malaysia will "be the fastest-growing A-rated economy over the next two years" and the country's medium-term growth



Moody's Ratings says Malaysia will be the fastest-growing A-rated economy over the next two years. AFP PIC

prospects remain buoyant.

The rating agency cited structural credit strengths, including a well-diversified economic structure, competitiveness and broad price stability, as among the factors that support consumption, complemented by deep domestic capital markets and a sophisticated financial system.

Moody's recognised the broad political support had provided headroom to the government to implement substantial structural and institutional reforms, as well as the enactment of the Public Finance and Fiscal Responsibility Act 2023, among other legislation.

In this regard, the ministry said, the government remained committed to improving public finance by amplifying efforts on revenue enhancement and subsidy rationalisation.

Estimates for Malaysia's gross domestic product (GDP) growth in the fourth quarter of 2024 stand at 4.8 per cent, placing the country on track to achieve its full-year target of 4.8 to 5.3 per cent, it added.

The government was optimistic that growth would remain robust in 2025 at between 4.5 and 5.5 per cent.

Meanwhile, fiscal consolidation efforts will further narrow the deficit – expected at 4.3 per cent of GDP in 2024 – to 3.8 per cent in 2025, gradually aligning to the fiscal target under the Public Finance and Fiscal Responsibility Act 2023, the ministry

added.

On a separate matter, Anwar said inclusivity and sustainability must form the foundation of Malaysia and Asean's revival.

This, he said, is to ensure prosperity is shared equitably.

Reflecting on his visits to the United Arab Emirates, the United Kingdom, Belgium and Switzerland – he emphasised the need for the nation to prioritise economic growth, knowledge development, and technological advancements, including artificial intelligence.

"Despite the diversity in politics, leaders and people of these nations remain focused on their economies, the culture of knowledge, skills, and artificial intelligence.

"This is an attitude we must emulate, instead of being consumed by trivial matters that divide and disadvantage us," he said in a Facebook posting.

He said the visits, which aimed to strengthen bilateral relations, attract investments and boost trade, also served to champion Asean's potential as a regional powerhouse.

He said the bloc's inclusivity and sustainability must remain its foundation for growth.

"Under Malaysia's chairmanship, Asean remains steadfast in upholding its centrality.

"We are free to collaborate with the United States, China, India, Europe, and other nations without being bound by or taking sides in external conflicts."