

Malaysia on stable path with Moody's credit rating at 'A3'

KUALA LUMPUR: Malaysia's sovereign credit rating at "A3" with a "stable" outlook reaffirmed by Moody's ratings is a recognition of the Madani government's commitment to clear policy directions and high governance standards, says Prime Minister Datuk Seri Anwar Ibrahim.

The Finance Ministry said the rating reflected the consistent efforts undertaken by the Federal Government to sustain economic growth as well as stay the course in its fiscal reforms despite the uncertainties reshaping the global economy and geopolitical fragmentation.

Anwar hailed Moody's affirma-

tion as a recognition of the Madani government's relentless efforts to drive structural change, guided by clear policy directions and an unwavering commitment to high governance standards.

"The government remains steadfast in pursuing economic reforms and fostering regional growth, ensuring the fulfilment of its reform agenda for the benefit of all Malaysians.

"This year, the Madani government will drive fiscal and economic reforms further as outlined in Budget 2025, while prioritising quality investments for higher-income jobs as well as accelerating integrated infra-

structure development to support economic diversification and new opportunities," he said in a statement yesterday.

Anwar said the government will 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.

The statement further stated that according to Moody's rating, Malaysia "will be the fastest-growing A-rated economy" over the next two years while declaring that Malaysia's medium-term growth prospects remain buoyant.

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

"They (Moody) recognised that broad political support has 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 and other legislation.

"The government remains committed to improving public

finance by amplifying efforts on revenue enhancement and subsidy rationalisation," it said.

The statement said with the fourth quarter of 2024 gross domestic product (GDP) advanced estimates at 4.8%, Malaysia is on track to achieve its economic growth target of 4.8% to 5.3%.

"The government is optimistic that growth will remain robust in 2025, between 4.5% and 5.5%.

"The fiscal consolidation efforts will further narrow the deficit, expected at 4.3% of GDP in 2024, to 3.8% in 2025, gradually aligning to the fiscal target under the Public Finance and Fiscal Responsibility Act 2023," it said.