

M'sia On Track To Become High-income Nation Earlier Than Projected, Says Najib

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KUALA LUMPUR, May 12 (Bernama) -- Prime Minister Datuk Seri Najib Tun Razak says the country is well on its way to becoming a high-income nation by 2020, perhaps may even achieve the status earlier than projected.

This expectation is possible given that the Economic Transformation Programme (ETP), introduced in 2010 has maintained its strong momentum over the last three years, thus helping the economy to achieve the Gross Domestic Product (GDP) growth of 4.7 per cent in 2013.

In 2013 alone, the ETP contributed RM7.4 billion to the Gross National Income (GNI), creating 29,373 new employment opportunities and driving RM8 billion worth of investments, said Najib, who is also the Finance Minister, in his remarks in the ETP's Annual Report 2013 released by the Performance Management and Delivery Unit (Pemandu) today.

Najib said that this is despite continued uncertainties in the external environment, which had shown a gradual recovery since the global financial crisis of 2008/2009.

Since 2010, 196 projects had been launched under the National Key Economic Areas (NKEAs), accounting for RM219.3 billion in total committed projects. These, in turn, are expected to generate RM144 billion in GNI and create 437,816 new jobs.

"These activities have increased our GNI per capita to US\$10,060 during the year (2013). The numbers, however, only tell half the story.

"What has heartened me the most about the ETP has been its ability to improve the people's quality of life, whether through projects which are focussed on uplifting local communities or through big ticket initiatives such as the construction of the Mass Rapid Transit (MRT) system in the Greater Kuala Lumpur/Klang Valley NKEA," he said.

He said these projects were selected for their potential to generate higher income for the people, contribute to productivity gains and stimulate spillover effects across the national economy.

To recap, the ETP incorporates two crucial elements: The 12 NKEAs in which growth will be encouraged; and the six Strategic Reform Initiatives (SRIs), which comprise the policies and procedures that have been implemented to create a vibrant business environment.

Collectively, these components are aimed at raising Malaysia's GNI per capita to US\$15,000, creating 3.3 million new employment opportunities and attracting US\$444 billion in investments by 2020.

Najib also said the ETP has made great strides in supporting the growth of small and medium-sized enterprises (SMEs), which represent the backbone of the country's economy.

He also said Malaysia's transformation into a high-income nation hinges as much on the government's ability to demonstrate fiscal resilience as it does on economic growth and in this respect, the Public Finance Reform SRI has played a key role in helping the government reduce its fiscal deficit.

"This includes managing the implementation of the Goods and Services Tax, which represents the government's shift towards the revenue structure of a developed economy, and will allow for more efficient tax collection from a broader tax base," the prime minister said.

He said the ETP, through the Competition, Standards and Liberalisation SRI, also went a long way in developing the country's global competitiveness and all measures are already proving successful.

For example, in the World Bank's Ease of Doing Business Index 2014, Malaysia has been in the top 10 position for both 2013 and 2014 at 8th and 6th, respectively.

Najib also expressed his gratitude to all as well as the private sector, which has been a diligent partner in the country's journey of transformation.

In concluding, he cautioned that despite all the achievements, as 2020 nears, it would be crucial for all to sustain the momentum and ensure the country

remained on the right economic track.

"With continued cooperation from all our stakeholders, I believe we will move closer to our ultimate goal under Vision 2020: Developed nation status," he added.

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