

GDP growth meaningless if rakyat poor, says Dr M
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Is Malaysia's rosy gross domestic product (GDP) growth only 'hot air' which some experts, such as Mydin hypermarket chain boss Ameer Ali Mydin, claims it to be?

Pakatan Harapan chairperson Dr Mahathir Mohamad appears to be among those who are inclined to agree.

Mahathir, who oversaw the best and worst years of Malaysia's economic growth as prime minister between 1981 and 2003, said there is now no longer any correlation between GDP growth and individual spending power.

What was in fact happening to Malaysia was that the spiraling cost of living was outpacing the rise in incomes and thus badly affecting consumer spending power.

"GDP growth (is now) meaningless to the rakyat," he said during his weekly "Policy Talk" Facebook session today.

Two days ago, Ameer Ali said during [an interview](#) with radio station BFM that hypermarkets in Malaysia were experiencing negative growth as consumers tighten their belts due to the rising cost of living.

He said positive GDP growth figures belied the fact that spending power was reducing.

As an analogy of why spending power could not be measured by GDP growth, Mahathir said: "If one out of 1,000 people is a millionaire and the other 999 people are penniless, the average wealth would be RM1,000 per person.

"So we cannot rely too much on GDP growth figures," he pointed out.

Between 1988 and 1996, Malaysia saw a sustained GDP growth of between 8.9 percent to 10 percent annually. The Asian Financial Crisis followed in 1997 prompting negative growth for the country in 1998.

The Najib administration which began in 2009 has seen good growth figures, hitting 7 percent in 2010 and 4.2 percent in 2016.

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