

Vision 2020 was possible if govt retained RM1.8 trillion offshore funds: Kamal Salih

Economist says bringing back money can stimulate economy, reduce debt

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GEORGE TOWN – Malaysia would have achieved its Vision 2020 aim if the reported RM1.8 trillion that were placed in foreign offshore accounts were retained or brought back to the country, veteran economist Tan Sri Kamal Salih postulated.

The former chairman of the Malaysian Institute of Economic Research (MIER) said that the amount, which was leaked through the Pandora Papers report last year, indicated the level of unwarranted funds raised in the country but deposited in offshore accounts.

Citing figures on the state of the economy, Kamal said that RM1.8 trillion was traced to offshore accounts, whereas the national gross domestic product (GDP) output over the past decades was RM1.6 trillion, while the national debt hovered around RM1.4 trillion.

“Imagine what the country could have done and achieved if the amount overseas was brought back to stimulate our economy and reduce our debt,” said Kamal, who is also a former deputy vice-chancellor of Universiti Sains Malaysia (USM).

Kamal was also the founding executive director of MIER from 1986 to 1994. He served as its chairman from 2019 to 2021.

As a policy advisor, Kamal was a member of the Prime Minister's Economic Panel from 1981 to 1986 and the Malaysian Business Council from 1991 to 1996. He served as an economic advisor on the National Implementation Task Force under then-prime minister Tun Abdullah Ahmad Badawi from 2006 to 2008.

He was speaking in a lecture last night as part of a series on the state of the country's economy. Three lectures on different topics have already been delivered at Universiti Malaya. Kamal is now delivering another three lectures at USM, where he had taught for 13 years.

Vision 2020 was created and launched with great fanfare under former prime minister Tun Dr Mahathir Mohamad in 1991, with the objective of attaining developed-nation status by meeting the World Bank's benchmark standard of income per person by 2020.

Kamal, who used to advise the government on economic policy matters when he was heading MIER, said that the funds which the country allegedly lost should be repatriated home.

The figure was reportedly obtained through the online leak of the Pandora Papers last year of some 12 million documents which incriminated hundreds of global politicians and the wealthy for tax avoidance and generating illicit funds from corruption.

The outflow reportedly happened between 2005 and 2015 as highlighted by the Global Financial Integrity report, on which the Pandora Papers' authors based their reporting.

As the country is now in the process of resetting its economy following over two years of stifling conditions due to the Covid-19 pandemic, Kamal also touched on the need to formulate new strategies to spark real growth in the economy.

“Despite the outflow of funds, Malaysia relatively remains a rich nation. Otherwise, how can we create four million jobs for foreigners here?” said Kamal.

But there is a need to change how the economy is managed to ensure that prosperity can be enjoyed by a wider spectrum of the people, said Kamal.

He has proposed to the government the need to have new cash crops, moving away from rubber and palm oil which are now dominated by Indonesia and Thailand.

One new crop is the fast-growing “Paulownia Tomentosa” whose benefits are now no longer just confined to timber but as an element which can replace steel.

Kamal said that the tree trunks can be components for the body of the lightweight electrical cars and used as ingredients for herbal products; besides that, its roots can help control land erosion.

Plans are now afoot to cultivate the tree in Sabah and Sarawak, which have huge land banks and some places on the peninsula, said Kamal, who added that such plants can supplement the income of smallholder plantation owners.

Kamal said that more attention now needs to be given to farming in view of the need to ensure food security in the country – The Vibes, June 2, 2022.

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