KEMENTERIAN HAL EHWAL EKONOMI

LIPUTAN BERITA
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Malaysia's diversification in all markets cushion heightened impacts

World Bank lead economist Richard Record says Malaysia could potential benefits from trade diversion, particularly in electrical and electronic; and commodity sectors. NST picture by Mohd Yusni Ariffin.

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Govt should focus on rebuilding fiscal buffers

In a report titled Malaysia Economic Monitor, the World Bank suggests a widening of the government's revenue base should also be accompanied by efforts to expand and improve the social protection system. NST picture by Osman Adnan.

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4,000 projek RM45bilion

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KETUA Setiausaha Kementerian Hal Ehwal Ekonomi Datuk Saiful Anuar Lebai Hussen (tiga dari kanan) mewakili Mohamed Azmin pada majlis, semalam. FOTO BERNAMA

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World Bank: Malaysia's Civil Service Efficiency Stagnating

By MT Webmaster Last updated Jul 2, 2019

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Govt to spend RM45b on 4,000 development projects to stimulate economy

MEDIA	**THE STAR ONLINE**
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Bisnes

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Ringgit dijangka terus mengukuh

Kombinasi tiga faktor pacu pengukuhan mata wang untuk jangka masa pendek: Penganalisis

Oleh Alzahrin Alias
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Ringgit dijangka terus mengukuh berbanding dolar Amerika Syarikat (AS) dalam jangka masa pendek didorong beberapa faktor positif, termasuk rundingan semula penyelesaian isu perang dagang AS- China.

Nilai ringgit berbanding dolar AS mengukuh lebih 1.4 peratus dalam tempoh sebulan, iaitu daripada kira-kira RM4.19 sedolar pada akhir Mei kepada sekitar RM4.13 sedolar semalam.

Faktor lain yang turut menyumbangkan pengukuhan ringgit adalah kedudukan harga minyak mentah dunia yang semakin stabil dengan penanda aras WTI melonjak ke atas AS$60 satu tong semalam serta jangkaan bank pusat AS akan menurunkan kadar faedah ekonomi terbesar dunia itu.

Penganalisis Ekonomi dan Pengarah Projek Universiti Kuala Lumpur (UniKL), Prof Dr Aimi Zulhazmi Abdul Rashid, berkata faktor yang paling memberi kesan kepada pengukuhan ringgit adalah persetujuan rundingan semula AS dan China yang mana mengurangkan kegusaran mengenai kelembapan ekonomi global.

Lihat muka 26

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Malaysia destinasi pelaburan penting firma Itali Muka 26

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Bisnes

Malaysia kekal pilihan firma Itali

Kedudukan sebagai gerbang ASEAN jadikan negara destinasi pelaburan penting

Malaysia kekal menjadi destinasi pelaburan ekonomi dan perdagangan di rantau ASEAN bagi syarikat Itali kerana kedudukannya yang strategik dan iklim sosiopolitik yang stabil.

Duta Itali ke Malaysia, Cristiano Maggipinto, berkata ini terbukti dalam peningkatan jumlah syarikat Itali yang menjadikan Malaysia sebagai hab mereka sejak lima tahun lalu, dari hanya 50 kepada 108 syarikat sekarang.

"Semakin banyak syarikat Itali yang berminat untuk datang ke rantau ini secara amnya, kerana seperti yang kita tahu ekonomi ASEAN berkembang dengan pesat.

"Di ASEAN, kebanyakan syarikat Itali memilih untuk ke Malaysia kerana mereka menganggap Malaysia sebagai gerbang ke negara-negara ASEAN yang lain berdasarkan kedudukan geografinya," katanya kepada Perkhidmatan Berita Antarabangsa Bernama dalam satu temu bual di Wisma Bernama baru-baru ini.

Beliau berkata, infrastruktur dan kesalinghubungan yang baik, tenaga kerja berkemahiran tinggi, kos sara hidup rendah serta penggunaan meluas bahasa Inggeris juga adalah antara faktor yang menarik syarikat Itali untuk berkembang di Malaysia.

Syarikat-syarikat terkemuka Itali yang beroperasi di Malaysia, termasuk peneraju global dalam pengeluaran semikonduktor iaitu STMielectronics, yang mana kilangnya di Johor adalah antara yang terbesar dan paling penting di dunia dan Fassi, pengeluar kren pemuat di Puchong yang mengeksport produknya ke negara lain di rantau ini.

Dalam industri aeroangkasa dan pertahanan, peserta global Leonardo sudah bertapak di Malaysia selama lebih 30 tahun, menyediakan produk serta sistem termasuk helikopter, radar dan sistem kawalan trafik udara.

Syarikat itu juga sudah menubuhkan Akademi Latihan Helikopter Malaysia Leonardo di Subang, Selangor pada 2012, yang menyediakan keperluan latihan untuk pelanggan di seluruh rantau ini.

Maggipinto berkata, perdagangan dua hala antara Malaysia dan Itali berkembang pada kadar yang mengagumkan.

Data daripada Institut Perangkaan Itali menunjukkan bahawa perdagangan dua hala Malaysia-Itali sudah meningkat sebanyak 23 peratus dalam tempoh lima tahun lalu, yang berjumlah hampir €2.3 bilion (RM10.7 bilion).

Eksport Itali ke Malaysia pada 2018 menyumbang hampir €1.2 bilion (RM5.6 bilion), dengan jentera dan peralatan industri membentuk satu pertiga daripada jualannya di Malaysia.

Sementara itu, eksport Malaysia ke Itali pada tahun sama berjumlah lebih €1.1 bilion (RM5.15 bilion), yang mana satu perempat eksportnya terdiri daripada produk pertanian, terutama minyak sawit. BERNAMA

Semakin banyak syarikat Itali yang berminat untuk datang ke rantau ini secara amnya, kerana seperti yang kita tahu ekonomi ASEAN berkembang dengan pesat.

Cristiano Maggipinto, Duta Itali ke Malaysia

Laporan Pemantauan Ekonomi Malaysia Ke-20

Bank Dunia saran tambah sumber pendapatan

Langkah hadapi persekitaran pertumbuhan tak menentu

Oleh Nurhayati Abllah
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Malaysia perlu mempelbagaikan sumber pendapatan, termasuk menyusun semula insentif cukai, mengembangkan cukai pendapatan individu dan memperluaskan Cukai Jualan dan Perkhidmatan (SST).

Bank Dunia berkata, Malaysia perlu meningkatkan ruang dasar dan kebolehan mengubah dasar bagi menghadapi persekitaran pertumbuhan tidak menentu yang diberatkan dengan risiko penurunan drastik.

"Dalam jangka pendek, fokus dasar kerajaan seharusnya membina semula penampan fiskal, menyokong pelaburan swasta dan memastikan perlindungan sosial mencukupi bagi isi rumah berpendapatan rendah," katanya dalam laporan Pemantauan Ekonomi Malaysia (MEM) Ke-20 - Memperkasakan Perkhidmatan Awam, di Putrajaya, semalam.

Bank Dunia berkata, asas pendapatan kerajaan boleh diperluaskan lagi menerusi usaha mengembangkan dan memperbaiki sistem perlindungan sosial bagi mencapai kemajuan lebih baik secara keseluruhan.

"Perancangan kerajaan untuk memperkenalkan rangka kerja subsidi bahan api bersasar boleh menjadi penjimatan berpotensi yang utama bagi pelaburan semula dalam program kebajikan sosial.

"Selain itu, seluruh dunia sudah menunjukkan cukai yang progresif dan pemindahan sosial boleh menjadi satu langkah efektif bagi mengurangkan kadar pendapatan yang tidak sekata.

"Berbanding negara lain di rantau ini, Malaysia masih ketinggalan dalam sistem kesejahteraan sosial," katanya.

Bagi mempercepatkan pertumbuhan produktiviti, Bank Dunia berkata, Malaysia juga seharusnya berusaha meningkat keyakinan pelabur, meningkatkan persaingan dan menangani pertumbuhan pasaran yang terbantut.

"Ini adalah peluang terbaik, terutama bagi syarikat berkaitan kerajaan meneruskan peranan mereka meningkatkan daya saing seterusnya merangsang produktiviti sektor swasta untuk beroperasi di bawah paras optimal," katanya.

Menerusi laporan itu, Bank Dunia juga berkata, pengenalan cukai minuman bergula dan levi pelepasan pelancongan pada tahun ini turut membantu menambah pendapatan negara.

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Unjur ekonomi negara berkembang sederhana

Bank Dunia menjangkakan ekonomi Malaysia akan terus berkembang, namun pada kadar lebih sederhana, dengan risiko berdepan penurunan.

Bagi tahun ini, Bank Dunia merendahkan unjuran pertumbuhan Keluaran Dalam Negara Kasar (KDNK) Malaysia kepada 4.6 peratus berbanding 4.7 peratus yang diunjurkan Januari lalu.

Ketua Ekonomi Bank Dunia, Dr Richard Record, berkata penurunan unjuran pertumbuhan KDNK Malaysia kepada 4.6 peratus tahun ini adalah menjejaki gambaran aktiviti pelaburan dan eksport lemah pada suku pertama 2019.

"Risiko potensi kepada pertumbuhan, termasuk peningkatan ketegangan perdagangan, kelembapan dalam ekonomi utama serta turun naik pasaran kewangan dan komoditi.

"Selain itu, peningkatan dalam hutang swasta dan awam juga memberikan risiko kepada pertumbuhan," katanya

Penurunan unjuran pertumbuhan KDNK Malaysia kepada 4.6 peratus tahun ini adalah menjejaki gambaran aktiviti pelaburan dan eksport lemah pada suku pertama 2019.

Richard Record, *Ketua Ekonomi Bank Dunia*

pada pelancaran laporan Pemantauan Ekonomi Malaysia (MEM) Ke-20 - Memperkasakan Perkhidmatan Awam dan Pelancaran Penyediaan Rancangan Malaysia Ke-12 (2021-2025) di Putrajaya, semalam.

Beliau berkata, penggunaan swasta dijangka akan terus menyokong kepada permintaan domestik dengan pertumbuhan yang dijangkakan kepada 6.6 peratus, tahun ini.

"Ia berikutan pengembangan kukuh pada 2018, terutama pada tempoh pelaksanaan Cukai Barang dan Perkhidmatan (GST) pada kadar sifar.

"Dalam sektor awam, rasionalisasi berterusan perbelanjaan kerajaan akan terus meningkatkan sumbangannya, dengan kadar pertumbuhan dijangka ber tahan pada 1.8 peratus bagi tahun ini," katanya.

Selain itu, Record berkata, pelaburan Malaysia dijangka kekal lemah untuk jangka pendek, dengan sektor awam dan swasta masih meneruskan sikap lebih berhati-hati.

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Bank Dunia jangka pertumbuhan 4.6 peratus pada tahun 2019

KDNK diunjur lebih rendah

PUTRAJAYA – Ekonomi Malaysia dijangka berkembang pada kadar yang agak sederhana, dengan Keluaran Dalam Negara Kasar (KDNK) dijangka pada paras 4.6 peratus pada 2019, kata Bank Dunia.

Ahli ekonomi utama dalam makroekonomi, perdagangan dan pelaburan Bank Dunia, Richard Record berkata, paras tersebut adalah 0.1 mata peratusan lebih rendah berbanding unjuran sebelum ini, mencerminkan aktiviti pelaburan dan eksport yang lebih lemah berbanding unjuran pada suku pertama tahun ini.

Pada April lalu, Bank Dunia mengekalkan unjuran KDNK pada 4.7 peratus.

KETUA Setiausaha Kementerian Hal Ehwal Ekonomi, Datuk Saiful Anuar Lebai Hussen (tiga dari kanan) bergambar kenangan pada majlis pelancaran Pemantauan Terkini Ekonomi Malaysia oleh Bank Dunia dan Persidangan Permulaan Rancangan Malaysia Ke-12 di Putrajaya semalam.

"Risiko berpotensi ke atas pertumbuhan termasuk perkara berkaitan ketegangan perdagangan, pertumbuhan ekonomi utama yang lebih perlahan berbanding jangkaan serta ketidakstabilan dalam pasaran kewangan dan komoditi.

"Kadar hutang swasta dan awam yang agak tinggi turut menimbulkan risiko kepada pertumbuhan," katanya pada sidang akhbar sempena Persidangan Permulaan Rancangan Malaysia Ke-12, 2021-2025 di sini semalam.

Menurut Record, walaupun penggunaan swasta dijangka terus menyokong permintaan dalam negeri, pertumbuhannya dijangka berkurangan kepada 6.6 peratus tahun ini.

Ia berikutan pengembangan yang kukuh pada 2018, terutama sepanjang tempoh Cukai Barang dan Perkhidmatan (GST) berkadar sifar.

"Dalam sektor awam, rasionalisasi berterusan perbelanjaan kerajaan akan menyebabkan sumbangannya berkurangan, dengan kadar pertumbuhan dijangka bertahan pada 1.8 peratus bagi tahun ini," katanya.

Dalam pada itu, Malaysia dilihat terus berada pada kedudukan yang baik untuk mencapai status ekonomi berpendapatan tinggi menjelang 2024.

"Pendapatan negara kasar per kapita Malaysia berjumlah AS$10,460 (RM43,263) pada 2018, AS$1,915 (RM7,920) di bawah had AS$12,375 (RM51,184) yang ditetapkan oleh Bank Dunia dalam menentukan status negara berpendapatan tinggi," kata Record.

Beliau berkata, Malaysia boleh mencapai had yang lebih tinggi daripada paras yang ditetapkan antara tahun 2021 dan 2024.

"Seiring penyertaan Malaysia dalam ekonomi berpendapatan tinggi, perhatian harus diberikan kepada aspek pembangunan dan kesejahteraan masyarakat secara lebih meluas seperti kesihatan, pendidikan dan pengagihan kekayaan, yang tidak dicapai hanya dari segi peningkatan dalam pendapatan per kapita," katanya. – Bernama

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Bank Dunia unjur KDNK Malaysia tumbuh 4.6 peratus

PUTRAJAYA 1 JULAI

EKONOMI Malaysia dijangkakan berkembang pada kadar yang agak sederhana, dengan Keluaran Dalam Negara Kasar (KDNK) dijangka mencatatkan 4.6 peratus pada 2019, kata Bank Dunia.

Ahli ekonomi utama dalam makroekonomi, perdagangan dan pelaburan Richard Record berkata KDNK mencatatkan 0.1 mata peratusan lebih rendah berbanding unjuran sebelum ini, mencerminkan aktiviti pelaburan dan eksport yang lebih lemah berbanding unjuran pada suku pertama (Q1) 2019.

RICHARD RECORD

Pada April Bank Dunia mengekalkan unjuran KDNK pada 4.7 peratus.

"Risiko berpotensi ke atas pertumbuhan termasuk perkara berkaitan ketegangan perdagangan, pertumbuhan ekonomi utama yang lebih perlahan berbanding jangkaan, selain ketidakstabilan dalam pasaran kewangan dan komoditi.

"Kadar hutang swasta dan awam yang agak tinggi juga menimbulkan risiko kepada pertumbuhan," katanya pada sidang akhbar pada Persidangan Permulaan Rancangan Malaysia Ke-12, 2021-2025, di sini hari ini.

Beliau berkata, walaupun penggunaan swasta dijangka terus menyokong permintaan dalam negeri, pertumbuhannya dijangka berkurangan kepada 6.6 peratus tahun ini.

Ini berikutan pengembangan yang teguh pada 2018, terutama semasa tempoh GST berkadar sifar.

"Dalam sektor awam, rasionalisasi berterusan perbelanjaan kerajaan akan menyebabkan sumbangannya berkurangan, dengan kadar pertumbuhan dijangkakan bertahan pada 1.8 peratus bagi tahun ini," kata Record.

Sementara itu, Malaysia terus berada pada kedudukan yang baik untuk mencapai status ekonomi berpendapatan tinggi menjelang 2024.

"Pendapatan negara kasar (GNI) per kapita Malaysia berjumlah AS$10,460 pada 2018, AS$1,915 di bawah had AS$12,375 yang ditetapkan oleh Bank Dunia dalam menentukan status negara berpendapatan tinggi," kata Record.

Beliau berkata, Malaysia boleh mencapai had yang lebih tinggi daripada yang ditetapkan pada satu ketika antara 2021 dan 2024.

"Seiring penyertaan ekonomi Malaysia dan ekonomi berpendapatan tinggi, perhatian harus diberikan kepada aspek-aspek pembangunan dan kesejahteraan masyarakat secara lebih luas seperti kesihatan, pendidikan dan pengagihan kekayaan, yang tidak dicapai secukupnya hasil dari segi peningkatan dalam pendapatan perkapita," katanya.

Menurut edisi ke-20 Pemantauan Ekonomi Bank Dunia (MEM) yang dilancarkan hari ini, dasar harus ditumpukan kepada usaha untuk meningkatkan daya tahan dan melindungi golongan yang lemah dalam jangka pendek.

Laporan itu menyebut penampan dasar fiskal perlu dibangunkan selain memudahkan pelaburan swasta dan memastikan perlindungan sosial yang mencukupi untuk isi rumah berpendapatan rendah yang mudah terjejas.

"Asas pendapatan kerajaan juga perlu di peluas menerusi usaha dalam mengembangkan dan meningkatkan sistem perlindungan sosial ke arah kemajuan yang lebih baik secara menyeluruh.

"Langkah yang dirancang kerajaan untuk melaksanakan rangka kerja subsidi bahan bakar bersasar boleh meningkatkan simpanan untuk dilaburkan semula dalam program kebajikan sosial utama," menurut laporan itu. - BERNAMA

Govt to spend RM45b on 4,000 development projects to stimulate economy

Azmin also outlines 3 main dimensions for the formulation of the 12MP

by AFIQ AZIZ

THE government will spend up to RM45 billion on about 4,000 development projects to invigorate Malaysia's economic progress and activities.

Economic Affairs Minister Datuk Seri Mohamed Azmin Ali said the development expenditure will ensure robust economic growth in the coming years.

"Together with the resumption of several large-scale projects, these developments will be our growth drivers for this year and the next," Azmin said during the launch of the World Bank's latest Malaysia Economic Monitor and the kick-off conference of the 12th Malaysia Plan (12MP) yesterday.

In the first quarter this year, Azmin said the state economy expanded 4.5%, supported by steady domestic demand, particularly private consumption that is buoyed by favourable labour market conditions, and recovery in agricultural production.

Additionally, he said inflation also fell by 0.3%, mainly due to lower domestic fuel prices arising from the resumption of managed float fuel pricing mechanism and setting of a lower price ceiling for RON95 petrol.

"Despite the negative overall inflation during this quarter, this decline was not broad-based as 81% of consumer items were not experiencing price declines," he added.

Apart from that, Azmin also outlined three main dimensions for the formulation of the 12MP.

There are economic empowerment, environmental sustainability and social re-engineering.

"These dimensions are to be underpinned by the principles of enhanced government and new policy tools," the minister said in a video recording as he is currently attending the sixth OPEC and non-OPEC Ministerial Meeting in Vienna, Austria.

The government, according to Azmin, has taken necessary steps to reduce regulatory burdens for doing business in Malaysia.

Among the steps being undertaken was the removal of non-tariff measures (NTMs).

"As of 2018, the government has reviewed 668 NTMs under six ministries that had a total estimated compliance cost of RM2.96 billion, with potential cost savings of RM739 million," he said.

Meanwhile, World Bank lead public sector specialist Rajni Bajpai said currently, Malaysia has already managed to reach the desired level of indication in the East and Asia Pacific (EAP) region in its bid to become a high-income nation.

As such, she said the country should set a new benchmark for its government institutional reform to be on par with the Organisation for Economic Cooperation and Development (OECD) countries.

"As Malaysia aspires to be a high-income economy, and by 2024, EAP would not be comparable for Malaysia. You need to be compared to the high-income economies like the OECD countries.

"If you compare with the OECD, there is some gap that Malaysia needs to fill, including data openness, transparency, accountability and the rule of law," Rajni said.

OECD is made of 36 countries, mainly comprising high-income states, and represents about 80% of world trade and investment nations including Canada, Germany, Korea and Japan.

Last year, Malaysia's gross national income per capita stood at US$10,460 (RM43,250), US$1,915 below the threshold level of US$12,375 that the World Bank currently sets in defining high-income country status.

Rajni also said the public perception towards the civil servants is also way lower compared to the OECD states.

She added that for the past four years, public service effectiveness has been stagnated compared to the growth recorded between 1991 and 2014.

In previous reports, Prime Minister (PM) Tun Dr Mahathir Mohamad had warned civil servants against greed, corrupt practices and power abuses.

Subsequently, the PM established the National Anti-Corruption Plan, a comprehensive policy drawn up, reminding all leaders and civil service to stay away from corrupt practices.

Pic by Razak Ghazali

(From left) World Bank Group Malaysia country manager Dr Firas Raad, country director for Brunei, Malaysia, the Philippines and Thailand Dr Mara K Warwick, Ministry of Economic Affairs secretary general Datuk Saiful Anuar Lebai Hussen, United Nations resident coordinator for Malaysia, Singapore and Brunei Stefan Priesner, World Bank Group lead economist Dr Richard Record and Rajni during the launch of the 20th edition of the 'Malaysia Economic Monitor: Re-Energising the Public Service' at Putrajaya Marriott Hotel in Putrajaya yesterday

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MUKA SURAT/ CAPAIAN	

World Bank trims M'sia's 2019 growth forecast

This reflects the possible impact of unresolved trade tensions, among others

BY SYAHIRAH SYED JAAFAR

KUALA LUMPUR: The World Bank has trimmed Malaysia's gross domestic product forecast to 4.6% in 2019 reflecting the possible impact of unresolved trade tensions, a sharper-than-expected slowdown in larger economies and market volatility, which it said will pose risks to growth in the near term.

The bank, in April, kept its forecast on Malaysia at 4.7%.

In a new report released yesterday, it said given the uncertain external environment and a subdued business confidence, policy actions should aim at strengthening fiscal buffers, facilitating private investments and ensuring an adequate social protection for lower-income households.

"In the medium term, bold reforms and measures are needed, particularly to boost human capital and increase public sector revenues," the World Bank said in the 20th edition of its Malaysia Economic Monitor on "Re-energising the Public Service".

Over the past year, it said Malaysia's fiscal consolidation has been largely driven by an expenditure rationalisation. Going forward, the report recommends reforms to mobilise public sector revenues to diversify away from unstable oil-related revenues and support future public investments.

"Currently, Malaysia's revenue from personal income and consumption taxes fall well below the average levels seen in other upper middle-income economies and high-income countries. Reforms to widen the tax base should be accompanied by measures to expand and improve the existing social protection system to boost resilience and protect the vulnerable.

"Current plans to move towards a targeted fuel subsidy framework would bring savings that could be used to expand core social welfare programmes," it said.

Also, while Malaysia's public service performs well by regional standards, the World Bank noted that it falls short relative to advanced economies, particularly in terms of openness and transparency.

"For the public service to fully realise its potential, Malaysia will need to invest in human resources management; encourage and develop a more open and transparent environment; undertake reforms to attract, manage and retain the best talents; and embrace new and emerging trends, including those related to rapidly-evolving technological innovations and digitalisation," it said.

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TARIKH	2.7.2019 (SELASA)
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Malaysian economy to grow by 4.6% in 2019, says World Bank

Report encourages the country to invest in human resource management

by NUR HAZIQAH A MALEK

THE Malaysian economy is projected to grow by 4.6% this year, although downside risks are elevated given its deep financial and trade integration with the global economy and unresolved trade tensions.

According to the 20th edition of the World Bank's Malaysia Economic Monitor, heightened protectionist tendencies among major economies, drastic slowdown in larger economies and financial and commodity markets' volatilities pose growth risks in the near future.

The World Bank report suggests reforms to mobilise public sector revenue to both diversify away from traditional, yet unstable, oil-related revenue, as well as to support future public investment.

"Current plans to move towards a targeted fuel subsidy framework would bring savings that could be used to expand core social welfare programmes," it said.

The report further added that policy actions should aim to enhance fiscal buffers and facilitate private investment, while securing adequate social protection for lower-income households, focusing on refreshing public service.

"In the medium term, bold reforms and measures are needed, particularly to boost human capital and to increase the level of public sector revenues."

Currently, the local public service performs well based on regional standards, but falls short in relation to advanced economies, especially in terms of openness and transparency in its transition to a high-income nation.

"For the public service to fully realise its potential, Malaysia will need to invest in human resource management; to encourage and develop a more open, transparent environment; to undertake reforms to attract, manage and retain the best talent; and to embrace new and emerging trends, including those related to rapidly-evolving technological innovations and digitalisation," it said.

The nation's revenue from personal income taxes and consumption taxes fall below the average levels seen in other upper middle-income economies and high-income countries.

"Reforms to widen the tax base should be accompanied by measures to expand and improve the existing social protection system to boost resilience and protect the vulnerable," it added.

Meanwhile, World Bank Brunei, Malaysia, Philippines and Thailand country director Mara Warwick said the government has prioritised good governance and integrity.

"We are very pleased to see the government has prioritised 'good governance' and 'integrity' in its national development plans as they are critical enablers of the country's transition to developed nation status in the next few years," he said.

The economic monitor report, themed "Re-energising the Public Sector", suggested the government revamp its policy practices to be more open and transparent, modernise Human Resource Management especially in terms of promotion and recruitment, and embrace new technologies in its administrative processes.

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MUKA SURAT/ CAPAIAN	

Azmin: 12MP to be formulated based on three dimensions

PUTRAJAYA: The 12th Malaysia Plan's (12MP) policies and strategies will be formulated based on three dimensions — economic empowerment, environmental sustainability and social re-engineering.

Minister of Economic Affairs Datuk Seri Mohamed Azmin Ali said the 12MP, continuing from the previous development plan, will be based on the "shared prosperity" concept serving as a guideline for long-term development.

He said these dimensions would complement one another towards Malaysia's new development model of shared prosperity, in line with the government's efforts to attain sustainable development goals by 2030.

"These dimensions are to be underpinned by the principles of an enhanced government and new policy tools," he said during the World Bank's latest Malaysia Economic Monitor launch and the kick-off conference of the 12MP here yesterday.

He spoke via a video recording as he is currently attending the sixth Opec and non-Opec Ministerial Meeting in Vienna, Austria.

On a different matter, Mohamed Azmin said the government will spend about RM45 billion next year on more than 4,000 development projects to spur the Malaysian economy.

He said these developments' expenditure would flow into the following years, ensuring a robust and sustained domestic economic growth.

"Together with the resumption of several large-scale projects, these measures will be our growth drivers for this year and the next.

"As we continue to work towards enhancing foreign direct investments, there should be simultaneous efforts to boost domestic investments as well."

Mohamed Azmin said these efforts would add a substantive value to the Malaysian economy particularly in job creation, wealth generation and expanding the economic pie.

He said the government had also made significant improvements in reducing regulatory burden in line with its aim to make doing business easier, adding "there is more work to be done".

He cited steps such as removing non-tariff measures (NTMs) are being undertaken.

As of 2018, the government had reviewed 668 NTMs under six ministries with a total estimated compliance cost of RM2.96 billion, with a potential cost-saving of RM739 million, he said. — *Bernama*

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TARIKH	2.7.2019 (SELASA)
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WORLD BANK'S MALAYSIA ECONOMIC MONITOR

RM45B FOR OVER 4,000 PROJECTS

Spending plan aimed at driving growth for this year and next, says minister

(From left) World Bank country director for Brunei, Malaysia, the Philippines and Thailand Dr Mara Warwick, Economic Affairs Ministry secretary-general Datuk Saiful Anuar Lebai Hussen and United Nations resident coordinator for Malaysia, Singapore and Brunei, Stefan Priesner, at the launch of the World Bank's latest Malaysia Economic Monitor and the kick-off conference on the 12th Malaysia Plan in Putrajaya yesterday. BERNAMA PIC

AYISY YUSOF
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MALAYSIA is expected to spend RM45 billion on more than 4,000 development projects this year to ensure sustained economic growth.

Economic Affairs Minister Datuk Seri Azmin Ali said the expenditure followed the resumption of several large-scale projects.

"Malaysia is heading towards a new era of development and growth. These measures will be our growth drivers for this year and the next.

"I am confident that the nation will be able to step into the future boldly and progressively, and with harmony and stability," said Azmin at the 12th Malaysia Plan (12MP) kick-off conference and the launch of the World Bank's 20th edition of Malaysia Economic Monitor, here, yesterday.

He said private consumption would likely be Malaysia's future growth driver with continued stable labour market conditions.

"Although the external sector represents 130 per cent of the gross domestic product, its net contribution to the economy is less significant. We depend more on domestic demand, especially private demand."

Azmin said the private sector would come onboard for growth and shared prosperity while working with the government to achieve the nation's economic goals.

"There can be no overstating the importance of the role of the private sector in wealth creation. But even more significant is the need to ensure the wealth created will be equitably shared with workers as well."

He said the 12MP would revolve around economic empowerment, environmental sustainability and social re-engineering.

"These dimensions, which will be underpinned by the principles of enhance governance and new policy tools, will complement each other towards realising our new development model of shared prosperity, in line with our efforts to attain the sustainable development goals by 2030."

The government had recently said the 12MP would be the first of two Malaysia Plans to operationalise the efforts towards achieving the shared prosperity goals.

Azmin said there should be simultaneous efforts to boost local investments as the country continued to work towards enhancing foreign direct investments.

"E-commerce will also need to be given more emphasis to spur the economy and promote the democratisation of economic opportunities.

"Collectively, these efforts will add substantive value to our economy in terms of job creation, wealth generation and expanding the economic pie," he added.

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TARIKH	**2.7.2019 (SELASA)**
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World Bank cuts Malaysia's 2019 growth forecast

BY **EE ANN NEE**
sunbiz@thesundaily.com

PUTRAJAYA: The World Bank has trimmed its forecast for Malaysia's 2019 economic growth to 4.6% from 4.7% earlier, due to weaker-than-expected investment and export activity in the first quarter.

World Bank Group lead economist Richard Record said it is maintaining its forecast of 4.6% for 2020.

"We're still optimistic that we'll see a recovery in global trade flows. We expect to see global growth returning closer to its trend rate by 2020 and the technology sector would also begin to move up again by 2020. 4.6% is around Malaysia's potential rate of growth at this stage and this development," he told a press conference at the launch of World Bank Group's "Malaysia Economic Monitor on Re-Energising the Public Service" report in conjunction with the 12th Malaysia Plan: Kick-off Conference here yesterday.

Given Malaysia's deep financial and trade integration with the global economy, unresolved trade tensions, heightened protectionist tendencies among major economies, a sharper-than-expected slowdown in larger economies, as well as volatility in financial and commodity markets pose risks to growth in the near term, according to the 20th edition of the Malaysia Economic Monitor.

With an uncertain external environment and subdued business confidence, the report said, policy actions should aim to strengthen fiscal buffers, facilitate private investment and ensure adequate social protection for lower-income households. In the medium term, bold reforms and measures are needed, particularly to boost human capital and to increase the level of public sector revenues.

At present, Malaysia's revenue from personal income taxes and consumption taxes both fall well below the average levels seen in other upper middle-income economies and high-income countries. Record said reforms to widen the tax base should be accompanied by measures to expand and improve the existing social protection system to boost resilience and protect the vulnerable.

From left: World Bank Group country manager for Malaysia Dr Firas Raad; country director for Brunei, Malaysia, Philippines and Thailand Mara Warwick; Ministry of Economic Affairs secretary-general Datuk Saiful Anuar Lebai Hussen; UN resident coordinator for Malaysia, Singapore and Brunei Stefan Priesner; Record; and World Bank Group lead public sector specialist Rajni Bajpai at the launch yesterday. – *ASYRAF RASID / THE SUN*

"Malaysia collects around 2.2% of GDP (gross domestic product) in personal income taxes, about a quarter of the average in high income economies. Over time, if Malaysia seeks to provide an increased range in quality of public services and aspires to become a high-income economy, then over time, Malaysia will need to collect more in personal income taxes," he said.

Meanwhile, federal government debt as a percentage of GDP increased to 51.2% in 2018 (2017: 50.1%) due to the upward adjustment in the fiscal deficit to 3.7% of GDP in 2018. Total committed government guarantees that are serviced by the government to finance the ongoing infrastructure projects also increased in 2018, to 9.2% of GDP (2017: 7.4%). The overall value of the federal government debt and liabilities is estimated to stand at RM1.1 trillion, or 75.4% to GDP (2017: 79.3%).

"Malaysia's debt, while elevated, is certainly manageable. Over the medium term, it's important to rebuild Malaysia's fiscal buffers, both in terms of the deficit and level of debt, so that there is more space to absorb shocks if they hit the economy in the future," Record said.

The report said Malaysia remains on track to achieve high-income economy status by 2024. Malaysia's GNI per capita stood at US$10,460 in 2018, US$1,915 below the thresh-old of US$12,375 that the World Bank defines as high-income country status. The latest World Bank projections indicate that Malaysia could exceed the threshold some time between 2021 and 2024.

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World Bank: Focus on fiscal buffers, private investments

PUTRAJAYA: The government should focus on rebuilding fiscal buffers, supporting private investment and ensuring adequate social protection for low-income earners, said the World Bank.

The government could diversify its revenue sources through realignment of tax incentives, expansion of personal income tax and broadening of the Sales and Services Tax, it said.

In its Malaysia Economic Monitor report, the World Bank suggests a widening of the government's revenue base be accompanied by efforts to expand and improve the social protection system.

"The government's planned move to a more targeted fuel subsidy framework could lead to potential savings for reinvestment in core social welfare programmes."

The report also recommends reforms to mobilise public sector revenues to diversify away from unstable oil-related revenues and support future public investment.

The World Bank said Malaysia's revenue from personal income and consumption taxes were well below the average levels seen in other upper middle-income economies and high-income countries.

It said evidence from across the world showed that progressive taxes and social transfers could be effective at reducing income inequality.

World Bank country director for Brunei, Malaysia, Philippines and Thailand, Dr Mara Warwick, said Malaysians could better enjoy its prosperity if the country practised stronger governance and higher standards of accountability, as well as transparency.

"Over the medium term, Malaysia will need to focus on boosting human capital outcomes and accelerating productivity growth," she added.

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'Growth at 4.6pc this year and next'

PUTRAJAYA: Malaysia's economy is expected to grow at 4.6 per cent this year and next, slightly lower than 4.7 per cent last year, due to weaker-than-expected investment and export activity, said the World Bank.

It said the country's deep financial and trade integration with the global economy, unresolved trade tensions, heightened protectionist tendencies among major economies and volatility in financial and commodity markets would pose risks to growth in the near term.

"We are still optimistic about the recovery in global trade and global growth returning to its trend rate.

"By next year, the technology cycle will move up again," said World Bank lead economist, Richard Record, at the launch of the World Bank's 20th edition Malaysia Economic Monitor, here, yesterday.

The report focuses on re-energising the public service and building public service capacity, in line with Malaysia's transition to become a high-income and developed nation.

It also suggests that policy actions focus on strengthening fiscal buffers, facilitating private investment and ensuring adequate social protection for lower-income households.

Record said bold reforms and measures were needed in the medium term to boost human capital and public sector revenues.

Economic Affairs Minister Datuk Seri Mohamed Azmin Ali said the government had expected growth to be resilient in the face of a volatile external environment.

"While we navigate through the turbulence, it is important that we remain focused on our pursuit of becoming a developed nation, in line with our recent announcement of ensuring shared prosperity for all," he said.

World Bank country director for Brunei, Malaysia, the Philippines and Thailand, Dr Mara Warwick, said the government's priority to instil good governance and integrity in its national development plans were critical enablers for Malaysia's transition to developed nation status in the next few years.

"We expect Malaysia to cross the high-income threshold. We are ready to support the government in developing its plan. Malaysia has a long proud history of successful and robust development planning."

Warwick said the upcoming National Development Plan would likely witness Malaysia's transition to high-income country status.

"Over the next four years, policymakers and officials will be exploring a wide range of development topics and policy issues affecting this milestone in Malaysia's development journey, which we anticipate will occur by 2024," she added. **Ayisy Yusof**

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TARIKH	2.7.2019 (SELASA)
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Malaysia's public service has some catching up to do

Among top performers in region but falls short relative to advanced economies

BY EE ANN NEE
sunbiz@thesundaily.com

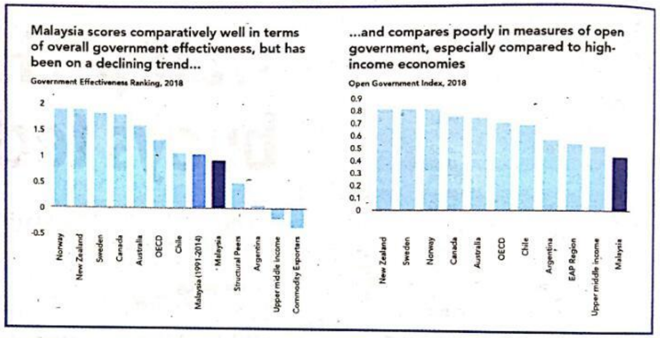
PUTRAJAYA: While Malaysia's public service performs well by regional standards, it falls short relative to advanced economies, particularly in terms of openness and transparency.

According to the 20th Malaysia Economic Monitor, which includes a special focus on re-energising the public service, Malaysia's performance has been largely stagnant and falls short relative to high-income aspirational comparators.

"As Malaysia aspires to be a high income economy by 2024, East Asia Pacific will no longer be the right competitor for Malaysia. You need to be compared to high income economies like OECD (Organisation for Economic Cooperation and Development). When you compare Malaysia's performance with OECD-like countries, there are still some gaps that Malaysia needs to fill," said World Bank lead public sector specialist Rajni Bajpai.

Malaysia is one of the top performers in the region according to the World Bank's Doing Business index, but its performance on the Government Effectiveness indicator has remained stagnant or fallen in recent years.

The report said Malaysia's index for voice and accountability is well below what would be expected, given its level of per-capita income, and some indicators like political stability and the rule of law have worsened over time, with a widening gap with OECD comparators.




Warwick


Rajni

Malaysia fares poorly in terms of citizen perceptions related to equal treatment in public sector employment and ranks below regional and OECD comparators in terms of the impartiality of its public administration. However, it has done well on measures related to gender equality, with women constituting nearly 50% of employees in the public service.

World Bank country director for Brunei, Malaysia, Philippines and Thailand Mara Warwick said there is a well-established connection between the quality of state institutions and economic growth. With increased affluence, societal expectations regarding the range and quality of services delivered by the state also tend to grow. Therefore, enhancing the effectiveness of state institutions is an integral part of a successful transition to a higher level of economic and social development.

"The focus now until the 12th Malaysia Plan is about making the public sector future-ready for Malaysia. It's important for Malaysia to put in place the foundations now of an effective public sector that will be able to carry forward and the government's priorities on building the public sector further and on transparency and accountability are important," said Warwick.

For the public service to fully realise its potential, Malaysia will need to invest in human resources management; to encourage and develop a more open, transparent environment; to undertake reforms to attract, manage and retain the best talent, and to embrace new and emerging trends, including those related to rapidly-evolving technological innovations and digitalisation.

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12MP to focus on economic empowerment, environment and social re-engineering

PUTRAJAYA: The policies, programmes and initiatives of the 12th Malaysia Plan (2021-2025) will revolve around three main dimensions, namely economic empowerment, environmental sustainability and social re-engineering.

Minister of Economic Affairs Datuk Seri Mohamed Azmin Ali said these dimensions will complement each other towards realising Malaysia's new development model of shared prosperity.

"They are also in line with our efforts to attain the sustainable development goals by 2030. These dimensions are to be underpinned by the principles of enhanced governance and new policy tools," he said in a pre-recorded video keynote address at the 12th Malaysia Plan: Kick-off Conference yesterday.

Azmin is currently attending the 6th Opec and non-Opec Ministerial Meeting in Vienna.

This 12th Malaysia Plan: Kick-off Conference is the first of several initiatives to engage experts and all stakeholders in the process of formulating the 12th Malaysia Plan. The outcomes of the conference will support 13 inter-agency planning groups and 47 technical working groups that have been established in preparation of the 12th Malaysia Plan.

"As we look towards the 12th Malaysia Plan, we have the opportunity for a fresh start to our policy framework. This is especially important as we chart out course towards achieving high-income and developed country status over the 12th Malaysia Plan period.

"In addition, we need to ensure that the benefits of growth are shared and distributed fairly and equitably as we strive towards enhancing the standard of living for all Malaysians."

He said current, as well as emerging challenges and global trends will be considered while new policy tools and valuable lessons gained from the experience of its key development partners will be leveraged.

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Govt to spend RM45b on 4,000 development projects to stimulate economy

Azmin also outlines 3 main dimensions for the formulation of the 12MP

by AFIQ AZIZ

THE government will spend up to RM45 billion on about 4,000 development projects to invigorate Malaysia's economic progress and activities.

Economic Affairs Minister Datuk Seri Mohamed Azmin Ali said the development expenditure will ensure robust economic growth in the coming years.

"Together with the resumption of several large-scale projects, these developments will be our growth drivers for this year and the next," Azmin said during the launch of the World Bank's latest Malaysia Economic Monitor and the kick-off conference of the 12th Malaysia Plan (12MP) yesterday.

In the first quarter this year, Azmin said the state economy expanded 4.5%, supported by steady domestic demand, particularly private consumption that is buoyed by favourable labour market conditions, and recovery in agricultural production.

Additionally, he said inflation also fell by 0.3%, mainly due to lower domestic fuel prices arising from the resumption of managed float fuel pricing mechanism and setting of a lower price ceiling for RON95 petrol.

Pic by Razak Ghazali

(From left) World Bank Group Malaysia country manager Dr Firas Raad, country director for Brunei, Malaysia, the Philippines and Thailand Dr Mara K Warwick, Ministry of Economic Affairs secretary general Datuk Saiful Anuar Lebai Hussen, United Nations resident coordinator for Malaysia, Singapore and Brunei Stefan Priesner, World Bank Group lead economist Dr Richard Record and Rajni during the launch of the 20th edition of the 'Malaysia Economic Monitor: Re-Energising the Public Service' at Putrajaya Marriott Hotel in Putrajaya yesterday

"Despite the negative overall inflation during this quarter, this decline was not broad-based as 81% of consumer items were not experiencing price declines," he added.

Apart from that, Azmin also outlined three main dimensions for the formulation of the 12MP.

There are economic empowerment, environmental sustainability and social re-engineering.

"These dimensions are to be underpinned by the principles of enhanced government and new policy tools," the minister said in a video recording as he is currently attending the sixth OPEC and non-OPEC Ministerial Meeting in Vienna, Austria.

The government, according to Azmin, has taken necessary steps to reduce regulatory burdens for doing business in Malaysia.

Among the steps being undertaken was the removal of non-tariff measures (NTMs).

"As of 2018, the government has reviewed 668 NTMs under six ministries that had a total estimated compliance cost of RM2.96 billion, with potential cost savings of RM739 million," he said.

Meanwhile, World Bank lead public sector specialist Rajni Bajpai said currently, Malaysia has already managed to reach the desired level of indication in the East and Asia Pacific (EAP) region in its bid to become a high-income nation.

As such, she said the country should set a new benchmark for its government institutional reform to be on par with the Organisation for Economic Cooperation and Development (OECD) countries.

"As Malaysia aspires to be a high-income economy, and by 2024, EAP would not be comparable for Malaysia. You need to be compared to the high-income economies like the OECD countries.

"If you compare with the OECD, there is some gap that Malaysia needs to fill, including data openness, transparency, accountability and the rule of law," Rajni said.

OECD is made of 36 countries, mainly comprising high-income states, and represents about 80% of world trade and investment nations including Canada, Germany, Korea and Japan.

Last year, Malaysia's gross national income per capita stood at US$10,460 (RM43,250), US$1,915 below the threshold level of US$12,375 that the World Bank currently sets in defining high-income country status.

Rajni also said the public perception towards the civil servants is also way lower compared to the OECD states.

She added that for the past four years, public service effectiveness has been stagnated compared to the growth recorded between 1991 and 2014.

In previous reports, Prime Minister (PM) Tun Dr Mahathir Mohamad had warned civil servants against greed, corrupt practices and power abuses.

Subsequently, the PM established the National Anti-Corruption Plan, a comprehensive policy drawn up, reminding all leaders and civil service to stay away from corrupt practices.

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Malaysian economy to grow by 4.6% in 2019, says World Bank

Report encourages the country to invest in human resource management

by NUR HAZIQAH A MALEK

THE Malaysian economy is projected to grow by 4.6% this year, although downside risks are elevated given its deep financial and trade integration with the global economy and unresolved trade tensions.

According to the 20th edition of the World Bank's Malaysia Economic Monitor, heightened protectionist tendencies among major economies, drastic slowdown in larger economies and financial and commodity markets' volatilities pose growth risks in the near future.

The World Bank report suggests reforms to mobilise public sector revenue to both diversify away from traditional, yet unstable, oil-related revenue, as well as to support future public investment.

"Current plans to move towards a targeted fuel subsidy framework would bring savings that could be used to expand core social welfare programmes," it said.

The report further added that policy actions should aim to enhance fiscal buffers and facilitate private investment, while securing adequate social protection for lower-income households, focusing on refreshing public service.

"In the medium term, bold reforms and measures are needed, particularly to boost human capital and to increase the level of public sector revenues."

Currently, the local public service performs well based on regional standards, but falls short in relation to advanced economies, especially in terms of openness and transparency in its transition to a high-income nation.

"For the public service to fully realise its potential, Malaysia will need to invest in human resource management; to encourage and develop a more open, transparent environment; to undertake reforms to attract, manage and retain the best talent; and to embrace new and emerging trends, including those related to rapidly-evolving technological innovations and digitalisation," it said.

The nation's revenue from personal income taxes and consumption taxes fall below the average levels seen in other upper middle-income economies and high-income countries.

"Reforms to widen the tax base should be accompanied by measures to expand and improve the existing social protection system to boost resilience and protect the vulnerable," it added.

Meanwhile, World Bank Brunei, Malaysia, Philippines and Thailand country director Mara Warwick said the government has prioritised good governance and integrity.

"We are very pleased to see the government has prioritised 'good governance' and 'integrity' in its national development plans as they are critical enablers of the country's transition to developed nation status in the next few years," he said.

The economic monitor report, themed "Re-energising the Public Sector", suggested the government revamp its policy practices to be more open and transparent, modernise Human Resource Management especially in terms of promotion and recruitment, and embrace new technologies in its administrative processes.

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World Bank: Focus on fiscal buffers, private investments

PUTRAJAYA: The government should focus on rebuilding fiscal buffers, supporting private investment and ensuring adequate social protection for low-income earners, said the World Bank.

The government could diversify its revenue sources through realignment of tax incentives, expansion of personal income tax and broadening of the Sales and Services Tax, it said.

In its Malaysia Economic Monitor report, the World Bank suggests a widening of the government's revenue base be accompanied by efforts to expand and improve the social protection system.

"The government's planned move to a more targeted fuel subsidy framework could lead to potential savings for reinvestment in core social welfare programmes."

The report also recommends reforms to mobilise public sector revenues to diversify away from unstable oil-related revenues and support future public investment.

The World Bank said Malaysia's revenue from personal income and consumption taxes were well below the average levels seen in other upper middle-income economies and high-income countries.

It said evidence from across the world showed that progressive taxes and social transfers could be effective at reducing income inequality.

World Bank country director for Brunei, Malaysia, Philippines and Thailand, Dr Mara Warwick, said Malaysians could better enjoy its prosperity if the country practised stronger governance and higher standards of accountability, as well as transparency.

"Over the medium term, Malaysia will need to focus on boosting human capital outcomes and accelerating productivity growth," she added.

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TARIKH	2.7.2019 (SELASA)
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'Growth at 4.6pc this year and next'

PUTRAJAYA: Malaysia's economy is expected to grow at 4.6 per cent this year and next, slightly lower than 4.7 per cent last year, due to weaker-than-expected investment and export activity, said the World Bank.

It said the country's deep financial and trade integration with the global economy, unresolved trade tensions, heightened protectionist tendencies among major economies and volatility in financial and commodity markets would pose risks to growth in the near term.

"We are still optimistic about the recovery in global trade and global growth returning to its trend rate.

"By next year, the technology cycle will move up again," said World Bank lead economist, Richard Record, at the launch of the World Bank's 20th edition Malaysia Economic Monitor, here, yesterday.

The report focuses on re-energising the public service and building public service capacity, in line with Malaysia's transition to become a high-income and developed nation.

It also suggests that policy actions focus on strengthening fiscal buffers, facilitating private investment and ensuring adequate social protection for lower-income households.

Record said bold reforms and measures were needed in the medium term to boost human capital and public sector revenues.

Economic Affairs Minister Datuk Seri Mohamed Azmin Ali said the government had expected growth to be resilient in the face of a volatile external environment.

"While we navigate through the turbulence, it is important that we remain focused on our pursuit of becoming a developed nation, in line with our recent announcement of ensuring shared prosperity for all," he said.

World Bank country director for Brunei, Malaysia, the Philippines and Thailand, Dr Mara Warwick, said the government's priority to instil good governance and integrity in its national development plans were critical enablers for Malaysia's transition to developed nation status in the next few years.

"We expect Malaysia to cross the high-income threshold. We are ready to support the government in developing its plan. Malaysia has a long proud history of successful and robust development planning."

Warwick said the upcoming National Development Plan would likely witness Malaysia's transition to high-income country status.

"Over the next four years, policymakers and officials will be exploring a wide range of development topics and policy issues affecting this milestone in Malaysia's development journey, which we anticipate will occur by 2024," she added. **Ayisy Yusof**

Whither 12th Malaysia Plan?

THE 12th Malaysia Plan Kick-off Conference started on Monday.. It was a privilege to speak at a session entitled Digital Impact on Government, Industry and Society – a timely topic but a challenging one because much has been said about it. Especially in the context of the so-called Industrial Revolution 4.0 (IR4.0) which many regard as identical to Industry 4.0. Hence, the confusion.

This is because the word "revolution" has been taken for granted, and trivialised as just another "change" or at most a "transformation". Not surprising the assessment of impact too has been left wanting. But we only need to gauge the previous IRs to realise how mistaken this has been. For example, the current threat of global warming and climate change could be readily traced to the earlier revolutions more than 200 years ago. Yes, it lasted that long and counting.

Despite the many subsequent innovative advances, the issues remain as life-threatening as ever. In the same way, the structural dislocations and disparities that were brought about by the then emerging ideologies, namely capitalism and Marxism as a counter response. This gave rise to major global socio-political upheavals that have lasted until today.

The word "boss" was said to have been introduced during the IR2.0; so too the exploitation of children and women as a means of production which is still with us. There are more examples but suffice to indicate that the IRs were not all bright and rosy as often painted by those with vested interest or viewed through myopic lenses.

Similarly for IR3.0 which is littered with "(mis)information scandals" and abuses as notorious as those exposed by "WikiLeaks" involving the rich and famous. The cases include several giant technology companies jostling to monopolise and commoditise the "knowledge industry" by hook or by crook.

The threat of IT "war" between world powers looms bigger as the latest IT platform becomes the turf for a bitter geo-political wrangling. And it looks as though it will continue to "heat up" the already erupting global situation, like how the "heat wave" has been "warming up" the world for centuries. All to our detriment.

So to the discerning: in what way is IR4.0 any different? Despite all the hype trumpeted by those who have the most to gain from it, what lessons have been drawn from previous painful experiences?

Based on the argument that transport, mode of production and communication, social stratification, labour and workforces, ecological imbalance and instability, new disease patterns, etc, were "negative" outcomes of the IRs, what can be deduced about the digital impact of IR4.0?

There are many but the one that is least articulated is its impact on the "human being". Not merely the extrinsic ones as accounted for, but more worrying are the intrinsic and invasive consequences.

It has been shown that humankind remains vulnerable, and its destiny is shrouded in uncertainty.

What is more worrying is that like all the previous (negative) experiences, once the line is transgressed, there is no way to reconcile or revoke. The price to pay is hefty.

Worst if this results in some "deep" intrinsic scarring that could, like never before, "distort" the very existence of being human.

Albert Einstein once expressed his fear that technology would produce a generation of idiots. Perhaps, not literally but more metaphorically in that humans would become malleable to their algorithmised creations (robots).

Stephen Hawking had warned that the rise of robotics could lead to the demise of the human species as we know it.

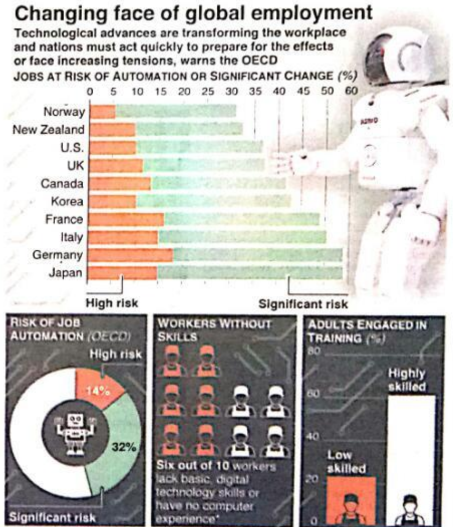
This can be best illustrated by what happened at the Davos World Economic Forum (WEF) between the short span of 2016 and 2019.

The former saw a strong advocacy of IR4.0 almost single mindedly leading to countries like Malaysia jumping on the bandwagon almost unthinkingly.

Just three years later, it was almost a U-turn when the Fourth Social Revolution (which the Japanese are already ahead with their Society 5.0) hurriedly came into the picture.

Why the change of heart within such a short period? This can be gleaned from what the founder of WEF Davos and proponent of IR4.0 has to say: "We are now in some ways in a battle between robots and humankind. We don't want to become slaves of the new technology." This succinct response said it all as to the overall digital impact based on the IR4.0.

Humankind remains vulnerable, and its destiny is shrouded with uncertainty. What is more worrying is that like all the previous (negative) experiences, once the line is transgressed, there is no way to reconcile or revoke. The price to pay is hefty.



Source: OECD Picture: Getty Images *2012/15 survey of 29 OECD countries © GRAPHIC NEWS

Taking these into consideration, together with the hindsight that has been highlighted, we must now be wiser in making up our minds in shaping the future, not just for a country but humanity.

The next cycle of IR is beyond just a change, transformation or even a revolution per se because our very "human-ness" is at stake. To view it as an isolated episode of economics before we can arrive at the detailed and comprehensive understanding of its full impact to humanity is unacceptable, if not morally wrong.

Likewise we must be equally mindful and accountable in developing the 12MP so that the future is not dehumanised. Good luck.

***With** some four decades of experience in education, the writer believes that "another world is possible". Comments: letters@thesundaily.com*

SEKIAN, TERIMA KASIH