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➤ If economic expansion exceeds 5% within two to three years, target can be reached even before 2026, says minister

PUTRAJAYA: Malaysia is on track to become a high-income nation if economic growth remains at around 4-5% and the value of the ringgit is stronger, said Economy Minister Rafizi Ramli.

"It means that if economic growth from 2023 to 2025 is around 4-5% and performing well, we can reach the status of a high-income nation as early as 2026.

"It would be better (if) our economic growth exceeds 5% within two to three years, the aspiration of reaching high-income country status will be sooner," he said at a press conference on Malaysia's economic performance and gross domestic product (GDP) growth 2022 yesterday.

He said another factor is foreign currency exchange considering that the level of high-income countries in terms of US dollars is US\$15,200 (RM66,000) per capita GDP.

"If the value of the ringgit is stronger than the current value of 4.3 against the US dollar in the next one to two years, it will also accelerate the country's status to reach a high-income country," he added.

Earlier, regarding the economic performance of 2022, Rafizi said Malaysia's performance in recording an annual GDP growth of 8.7% is encouraging and reflects on the country's economic resilience.

However, he said, good annual growth needs to be seen together with quarterly growth from the first quarter to the fourth quarter of 2022 to give a full picture of the country's economic performance.

"The global economic environment which is expected to moderate and grow at a slower rate of 2.9% in 2023 compared to 3.4% or 2022 will likely affect the country's economic performance.

"In a situation where global economic growth is expected to be slower in 2023 and quarterly growth has been slow for four consecutive quarters in 2022, the

government would need to prepare for a more challenging economic environment," he said.

He added that economic programmes that focus on the two main factors of the people's economy, namely the cost of living and income, will be given the main focus in economic planning.

"The Economy Ministry also places these two matters as the focus in improving the country's economic policies and the people's economic programmes that take an integrated implementation approach.

"Policies related to the employment of the people will be brought to the National Economic Action Council (NEAC) which is chaired by the prime minister so that national policies are aligned towards a comprehensive salary growth target for all workers," said Rafizi.

He said the first meeting of NEAC is expected to be held in March 2023.

In addition, he said the Economy Ministry will launch the Inisiatif Pendapatan Rakyat programme which aims to increase the people's income on Feb 26, the first target of which is the extreme poor and B40 families across the country. - Bernama