

## KERATAN AKHBAR

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### High-income status by 2026

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Rafizi: This is possible if yearly growth is at 4% to 5%

## ECONOMY

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**PETALING JAYA:** Malaysia can achieve high-income status by 2026 if its economic growth rate is able to sustain in a range of between 4% and 5% annually, says Economy Minister Rafizi Ramli.

The Pandan MP, said the strengthening of the ringgit was another factor that could aid the country in achieving the high-income status.

Rafizi said the government's top priority now was to roll out policies that would increase salaries, which may include the introduction of a national wage growth policy.

Speaking at a press conference yesterday, he said the public's salary policies will be dis-

cussed with the Economic Action Council (EAC), the highest economic advisory body to the government, chaired by the Prime Minister.

This is to align the country's salary policies towards a comprehensive salary growth target for all workers.

The first EAC meeting is expected to be held in March 2023, according to him.

Separately, Rafizi said the Economy Ministry will launch the People's Income Initiative (Inisiatif Pendapatan Rakyat or IPR) on Feb 26, after Budget 2023 is retabled on Feb 24, and aims to increase people's income.

He added the focus of IPR was towards the hardcore poor and B40 families throughout the country.

He emphasised that the Economy Ministry, in its future economic planning, will find a balance between restructuring the country's economy and meeting the people's economic needs in relation to the cost of living and

better wages.

Three months into his appointment as Economy Minister, Rafizi said foreign investors remained keen to do business in Malaysia.

He hinted there could be substantial investments in the coming months from large companies around the world. However, he said there was a skills mismatch issue in the labour market.

"Though our workforce possesses degrees or skill certifications, it is not what the investors are looking for," he said.

To tackle the problem, the ministry is looking at conducting several programmes to retrain the nation's workforce consistent with the strategic sectors noted above.

He highlighted that there was high demand for jobs evolving in the technology and digital sector, followed by renewable energy as well as the agriculture sector.

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# Enhancing skills to match market demands

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Rafizi added that Putrajaya was also looking to improve the existing upskilling programmes to narrow the gap between the existing workforce and the job market demands.

"We cannot apply the 'one size fits all' method. We have to match with the needs of the industry," he added.

He believes the people will be suited to good, sustainable jobs instead of needing to be provided with financial assistance from time to time.

"It is a classic case of giving someone a fishing rod to fish, rather than giving them a fish on a daily basis," he said.

"It makes a big difference between continuously giving fishes and giving them a rod to teach them," he added.

According to him, effectively carrying out this plan would prove to foreign investors that Malaysia was capable of developing and enhancing the skills of its workforce in accordance with market demands.

This, in turn, would result in foreign investments being boosted in the country, potentially accelerating the process.

The minister said Malaysia's 3.7% unemployment rate was good and from an economic standpoint, the country could be regarded as having achieved full employment.

However, he is worried about the unemployment rate among the youths aged 25 years and below, which stood at 11%.

Apart from that, he is also bothered by under-employment where people are working below their qualification levels, and hence, earning a lower income.

"So I could take the easy route by saying our employment rate is good, but we have to look at deeper perspectives," he said.

Malaysia recorded an annual gross domestic product (GDP) growth of 8.7% in 2022, reflecting the country's economic resilience.

Rafizi, however, opined that the annual growth rate needed to be viewed on a quarterly basis from the first quarter (1Q) up to the 4Q of 2022 to provide a complete picture of the country's economic performance.

The quarter-on-quarter GDP growth rates were 3.8%, 3.5% and 1.9% in 1Q, 2Q and 3Q of 2022 respectively, but in Q4 the quarterly GDP shrank by 2.6%.

Rafizi noted this was in line with expected global economic slowdown and slower growth in 2023.

The International Monetary Fund (IMF) expects world economic growth to slow to 2.9% in 2023 compared with 3.4% in 2022.

"In the face of an expected global economic slowdown in 2023 and slow quarterly growth for 2022, the government is aware of the need to prepare for a more challenging economic environment," Rafizi said.