KERATAN AKHBAR

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‘Reverse slower growth trend’

OUTLOOK WORRYING

‘REVERSE SLOWER GROWTH TREND’

Titiwangsa MP also highlights need for targeted subsidies with right strategy and execution

TITIWANGSA member of parliament Datuk Seri Johari Abdul Ghani has expressed concern over the country's economic situation, as well as its growth, which is beginning to slow down.

Johari, who used to be the second finance minister from 2016 to 2018, said this was happening despite the country reporting encouraging growth in its gross domestic product (GDP) last year.

"Last Friday, the government announced that last year's GDP growth (was at 8.7 per cent), which is encouraging.

"In terms of percentage, some said it was the fastest among Asean countries.

"I see this as an indication that our economy is recovering, compared with 2020 and 2021.

"However, in reality, we should look at the country's GDP growth between 2017 and 2019 to get the real picture of our economic situation.

"In 2017, our economy grew at 5.8 per cent, before dropping to 4.8 per cent in 2018 and 4.4 per cent in 2019."

Johari said on average, the country's economy was growing at five per cent annually, but this was reserved during the pandemic.

"During the Covid-19 pandemic in 2020, our economy contracted by 5.5 per cent and in 2021, it was at 3.1 per cent. This means, our growth is still negative," he said when debating the royal address in the Dewan Rakyat yesterday.

In explaining this, he said between 2020 and last year, Malaysia had recorded economic growth of 1.9 per cent.

"This is in contrast with neighbouring countries. In 2020, Singapore, for example, saw their economy contracting to 4.1 per cent, but in 2021, it (grew) to 7.6 per cent.

"The same goes with Indonesia as its economy contracted to 2.1 per cent in the pandemic year. In 2021, it went up to 3.7 per cent.

"However, in 2021, Malaysia did not recover from 2020. That's why last year, our economy grew 8.7 per cent due to the low-base effect of 2021.

"This decreasing trend is worrying for the outlook of our economy," Johari said.

He added that the World Bank had forecast Malaysia's economy to grow by four per cent this year and 3.9 per cent next year, which was still lower than the growth recorded during pre-pandemic.

"Indonesia, on the other hand, stands at 4.8 per cent this year and 4.9 per cent next year. The Philippines is at 5.4 per cent this year, and 5.9 per cent next year; and Vietnam is at 6.3 per cent this year and 6.5 per cent next year.

"The government should be worried about these figures and find ways to reverse it."

He said the International Monetary Fund and the World Bank were also predicting economic growth at the global level to slow down.

Johari also mentioned the need for targeted subsidies.

"Targeted subsidies are crucial, or else we will be forever face a situation where those being given subsidies should not be receiving them in the first place."

He said to implement targeted subsidies, Malaysia must have a correct strategy and mechanism, along with the right implementation and execution.

"This is so that those who are supposed to get it (targeted subsidies) will get it, or else we will have a higher poverty rate should we get the wrong mechanism.

"At present, everyone gets to enjoy these subsidies. We have more people undeserving of subsidies enjoying them," he said.

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Titiwangsa member of parliament Datuk Seri Johari Abdul Ghani says although the country recorded a growth of 8.7 per cent in its gross domestic product last year, this was due to a low-base effect. PICTURE COURTESY OF INFORMATION DEPARTMENT