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KUALA LUMPUR: Malaysia will invest heavily in the green and digital economy as these were the areas where there is huge growth potential, said Economy Minister Rafizi Ramli in his keynote address at the National Economic Forum 2023 yesterday.

"It is becoming increasingly obvious that investing heavily in the digital and green economy is the right path forward. There is growing evidence around the world that digital technologies contribute to growth, productivity, employment, and poverty reduction - and this is especially important for a country like Malaysia where productivity growth has lagged our peers even before the pandemic," he added.

➤ Growing evidence that such technologies contribute to growth, productivity, employment and poverty reduction: Rafizi

He also said that after the past few years of political uncertainty, there is now a sense of unity among political parties to set aside differences and serve the people as priority.

"The stable majority also gives us political will to do what is necessary to restructure the economy so that we are no longer reliant on our finite advantages of natural resources and low-value manufacturing, and move into high-value work that is more resilient against global headwinds,"

he added.

On another note, Rafizi said Malaysia will reach a significant milestone in the next few years and the nation will transition from an upper-middle income to a high-income nation and will finally break out of the prolonged "middle-income trap".

The economy minister also said that between 1967 and 1999, Malaysia was one of the fastest-growing economies in modern history, with a sustained annual growth rate of 9%, increasing its

gross national income per capita by 14 times. Thereafter, the growth pace slowed, and the growth rate today is lower than rates of any transitional peers 10 years before they achieved high-income status.

"The once-in-a-lifetime pandemic revealed the structural problems that undergird our economy for a long time. We could no longer talk about economic growth without considering the pace, quality, and sustainability of growth," Rafizi opined.

In addition, he said the current administration will continue to create an enabling digital ecosystem by preparing the infrastructure, platforms, and frameworks to protect consumers and uplift digital businesses.

The Ministry of Economy's emphasis, he said, is on open and centralised data which was foundational so that data is widely available and accessible. A government built on open data is more likely to make good, data-backed decisions, he added.

"Last year, up to US\$1.1 trillion was invested globally into energy transition, with storage, mobility, food and agriculture, and renewables taking up the lion's share. Many of the most exciting investments are a combination of public and private funding, showing once again that the role of government in directing money flows is critical for market creation," said Rafizi.

National Chamber of Commerce and Industry Malaysia (NCCIM) president Tan Sri Soh Thian Lai, said political stability and policy certainty remain key considerations for investors.

"Tough reforms must be undertaken by the Unity Government to revitalise and ensure Malaysia remains competitive under the Malaysia Madani concept," he said, adding that Malaysia should re-evaluate its prioritised sectors, identify talent needs, and develop such talents to build a future ready workforce.



Rafizi speaking during a Q&A session at the National Economic Forum 2023 yesterday. Also present are NCCIM deputy secretary general and forum organising committee chairman Datuk Gan Tack Kong (third from right) and Soh (third from left). -BERNAMAPIC