

# KERATAN AKHBAR

TARIKH : 23 JUN 2023  
AKHBAR : NEW STRAITS TIMES  
MUKA SURAT : 19

## 'High-income economy by 2025'

S&P GLOBAL MARKET INTELLIGENCE ASSESSMENT

# 'HIGH-INCOME ECONOMY BY 2025'

Malaysia's per capita income will also be higher than Turkiye, Mexico by 2030

ASHIQIN ARIFFIN  
KUALA LUMPUR  
bt@nst.com.my

**M**ANY Malaysians may be feeling uneasy and wary about the country's economic outlook and weakening ringgit right now.

But perhaps, projections from an S&P Global Market Intelligence expert will ease their concerns over the country's future.

Rajiv Biswas, who is its chief economist for Asia Pacific, said Malaysia was on the path to become a high-income economy by 2025 and could emerge as a US\$1

trillion economy by 2036.

The World Bank's definition of a high-income economy is to achieve a gross national income (GNI) per capita of US\$13,200.

S&P Global expects Malaysia's GNI per capita to rise to US\$18,800 by 2030 from US\$12,000 last year.

The country's gross domestic product was US\$406 billion last year, with S&P Global expecting it to reach US\$682 billion in 2030.

In terms of a trillion dollar economy, Biswas said not many developing countries had joined the club. Indonesia is the only Asean country on the list.

"But what's really important is

the GDP per capita because if a country becomes a trillion dollar economy but the population is huge, then it does not really help all that much."

Biswas said its forecasts showed that Malaysia's per capita income would hit US\$26,300 by 2036, which was when it would become a US\$1 trillion economy.

"By 2030, Malaysia's per capita income will be higher than Turkiye's, which will reach US\$18,000 by 2030, as well as that of Mexico (US\$15,300 by 2030)."

Both Turkiye and Mexico are Organisation for Economic Cooperation and Development member countries.

"By 2030, Malaysia's per capita income will also be higher than Russia (US\$15,000) and Brazil (US\$14,000)," he told the *New Straits Times*.

Biswas said Asia was the biggest driver of global growth.

In the next 10 years, half of the total increase in global GDP will come from the Asia-Pacific region.

He said Malaysia was among the countries that were considered to be global technology leaders amid a shift to electronics

and integrated circuits manufacturing.

Biswas said the industry shift would become an important economic driver for Malaysia.

"Malaysia's exports of electrical and electronics products accounted for 38 per cent of its total merchandise exports."

"Over the next 20 years, Malaysia will further develop as a hub for exporting manufacturers of electronics, software services and communications industry, such as information technology business process outsourcing."

Biswas said Malaysia was one of the supply chain beneficiaries as companies reduced their dependence on Northeast Asia due to rising labour costs as well as geopolitical reasons and natural disasters.

"Malaysia has stable infrastructure, reliable communications, good transport system and a low risk of natural disasters," he added.



Rajiv Biswas