

## **KLBC Luncheon Talk “Malaysia Moving Forward: Growth & Imbalances” with Deputy Prime Minister**

The Kuala Lumpur Business Club (KLBC) organised a Luncheon Talk on “**Malaysia Moving Forward: Growth & Imbalances**” with YAB Tan Sri Muhyiddin Yassin, Deputy Prime Minister on 19 November 2012 at Menara Maybank, Kuala Lumpur. The event was hosted by Maybank Investment Bank Berhad.

In his welcome remarks, KLBC President Tengku Dato’ Zafrul Tengku Abdul Aziz said that 2013 was poised to be a challenging year. The International Monetary Fund painted a gloomy picture of the global economy where prospects had further deteriorated and risks had increased. He added that changes in socio-economic patterns of the past year had thrown up their own vast array of political headaches and economic trade-offs which needed careful management and collaborative leadership. Tengku Zafrul also mentioned that the end of the US election brought the focus of the most important story in Washington – the Fiscal Cliff arising from a sudden rise in taxes combined with spending cuts scheduled for January 2013.

Meanwhile in his address, YAB Tan Sri Muhyiddin Yassin said that Malaysia was on track to achieve its prosperity pillar of the New Economic Model (NEM). Based on the Pemandu report, the Gross Domestic Product (GDP) forecast for Malaysian economy was between 4.5% and 5.5% in 2013, translating into nominal gross national income (GNI) per capita growth of 6.4% from RM30,956 to RM32,947. Private gross fixed capital formation was expected to expand 13.3% following the implementation of several new projects under the National Transformation Programme.

Tan Sri Muhyiddin added that the Prime Minister’s NEM was beyond mere economic growth. From the fiscal standpoint, the country’s economic growth should not be at an unrecoverable cost for the future generations. Although Malaysia was on the right track, it needed to be fiscally prudent in building its capacity to weather potential macroeconomics shocks. Readjustments from fiscal, income and opportunity imbalances were required for sustainability.

“The Government is doing its very best through GTP by making education more equitable by reducing the gap between urban and rural schools by 50% in 2015 and 25% in 2025,” said Tan Sri Muhyiddin. Several initiatives were in place to address this issue.

Tan Sri Muhyiddin called on the private sector to play a more significant role in correcting these imbalances in a time of government’s fiscal constraints.

In conclusion, the Deputy Prime Minister reiterated the NEM vision that with privilege came responsibility. As movers and shakers of the country, KLBC had the capacity to remove these fiscal and socio-economic imbalances. NEM would be hollow without fiscal sustainability and inclusivity or equal opportunity.

Tengku Dato’ Zafrul then moderated the Question and Answer session in which KLBC members took the opportunity to raise various issues on the topic and other relevant matters.

Malayan Banking Berhad President and CEO who is also a KLBC member, Dato' Sri Abdul Wahid Omar delivered his closing remarks at the luncheon. The event was attended by over 60 participants, comprising both KLBC members and invited guests.