

KLBC successfully organised a Fireside Chat entitled “Transition Nation: Is Moving to a High Income Economy a Cost too High?” with Senator Dato’ Sri Abdul Wahid Omar, Minister in the Prime Minister’s Department on 24 February 2014. The event held at Hilton Kuala Lumpur was attended by 60 KLBC members and invited guests.

In his opening speech, KLBC President Tengku Dato’ Zafrul Aziz posed some questions on the distribution of wealth within the country’s socio-economic structure and human capital capability to enable the growth. He also questioned if the cost of living was untenable by the rakyat.

Dato’ Sri Wahid said that all Malaysians would benefit when the nation achieved a high income status. This would be done through an economically and environmentally enduring solution of inclusiveness and sustainability. No groups would be marginalised and the essential needs of the rakyat would be satisfied. Dato’ Sri Wahid further added that through prudent financial management, the budget deficit to Gross Domestic Product (GDP) had been narrowed down from 4.5% in 2012 to 3.5% in 2014. The Government was committed to achieve a balanced budget by 2020.

In addition, the nation had enjoyed a continued growth in exports, continued surplus in current accounts and strong growth in foreign direct investments (FDIs). Malaysia’s financial system remained strong, robust and supportive of the economy.

For 2014, it was forecast that real GDP growth would pick up to between 5.0% to 5.5% on resilient domestic demand and positive external environment. Exports would also continue to grow based on improved demand for resource products and electronics.

In 2013, FDI has improved to RM38.8 billion, an increase of 24.6% from 2012. Investments were channelled into manufacturing, real estate and mining.

To ensure sustainability, he ended by saying that the Government was committed to undertake fiscal consolidation and reforms. Gradual subsidy rationalisation was introduced to ensure sustainability and to deliver medium to long-term benefits.