

## MEETING WITH INVESTORS

## 'SUSTAINABLE, EQUITABLE GROWTH'

PM's economic adviser reveals that country will focus on sectors such as tourism, electrical and electric, and aerospace, says JP Morgan

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**E**CONOMIC adviser to the prime minister, Dr Muhammed Abdul Khalid, recently revealed to investors Malaysia's medium-to long-term vision that will determine its economic growth.

At a meeting organised by United States investment bank JP Morgan with investors from Hong Kong, Singapore and Japan, among others, Muhammed talked about Malaysia's next focus as it moves to a new phase — from government clean-up to growth strategies.

After taking over Putrajaya last May, Pakatan Harapan has made several leadership changes in

government agencies and government-linked companies, as well as probed dealings done by the previous government.

According to JP Morgan, Muhammed said the government was moving away from labour-intensive industries and emphasising on education to improve productivity without compromising social well-being and environment sustainability.

"The key message is for sustainable and equitable growth over the medium to longer term," said JP Morgan in a note.

Key growth areas that the government will be focusing on include tourism, electrical and electronics, and aerospace sectors.

JP Morgan said the move to shift from labour-intensive industries could be incrementally



*Dr Muhammed Abdul Khalid, the economic adviser to the prime minister, says the government is moving away from labour-intensive industries. PIC BY ROSELA ISMAIL*

punitive for sectors such as rubber glove, plantations and construction.

However, the shift would be done in phases for affected companies to adjust and force more intensive adoption of automation, it added.

JP Morgan is positive about the

"Tourism has a multiplier effect while for aerospace, there are companies that have expressed an interest to invest," said JP Morgan.

It said key worries for Malaysia's economic growth in the near term included impacts from the US-China trade war and the country's fiscal position if global growth were to slow.

"We hold the view that there are policy levers to support growth. The International Trade and Industry Ministry is thinking on how to take advantage of the supply chain disruption," it said.

Putra Business School business development manager Associate Professor Dr Ahmed Razman Abdul Latiff said the focus and the concerns highlighted were justifiable and it was important to address them to ensure economic and social well-being of the nation.

"It is good for the government to have continuous engagement with investors from various countries to assure and communicate its medium- and long-term economics plans and strategies," he told NST Business.

government's move to focus on tourism as it will benefit airlines, airports and casinos.

For aerospace, the research firm reinforces its positive view on Malaysia Airports Holdings Bhd's Aeropolis development, which will house, among others, aerospace businesses.