



REFORMS

'GOVT'S NEAR-TERM POLICIES PAYING OFF'

Improvement in governance, greater efficiency of GLCs among successes, says economist

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AFTER 10 months in power, the government's reforms and near-term policies to improve governance and boost economic growth are paying off, albeit slowly, said economists. Putra Business School business

development manager Associate Professor Dr Ahmed Razman Abdul Latiff said the immediate successes were greater efficiency and integrity from the management and board revamp of the government's strategic investment institutions and government-linked companies.

Others included improvement in governance and effective measures that tackled main economic issues with the setting up of committees.

"Judging by the plans, initiatives and announcements made in the past 10 months, the government is serious about gover-

nance, financial, social wellbeing and economic reforms.



Dr Ahmed Razman Abdul Latiff

"For example, the government controls the cost of living component — petrol. Lower petrol cost contributed to lower inflation in the past two months," Razman told the *New Sunday Times*.

The most important thing was to ensure that there was support from both the public and private sectors.

Public Investment Bank said "results are starting to show, slowly but surely" from the government's moves to reform the public and private sector delivery systems and consolidate debt.

"Detractors will likely point to the new government's inexperience or lack of economic thrust for the domestic market underperformance, and use them as fodder for criticism.

"While it may partially be so, we think of it as more of a cup half-full situation, in that there remains ample scope for a significant catch-up in performance (in market and economic numbers)," the research firm said.

"Should the government be successful in its reforms, imagine the multiplier effects and benefits then."

Bloomberg Economist Intelligence Unit said the government's measures to reduce the cost of living, such as continued financial support for low-income households, would continue to drive

economic growth.

Due to strong private consumption growth, it expects Malaysia's economy to grow by 5.1 per cent per year on average in 2020-2023, higher than the 2019 forecast of 4.5 per cent and 2018 actual growth of 4.7 per cent.

"The purchasing power of households throughout the forecast period is expected to stay relatively strong, supported by low consumption taxes, sustained increases in the minimum wage and, until 2022, a low interest rate environment," the research house said.

It said Malaysia's growth prospects this year would be weaker than the previous year mainly due to external factors, such as the trade war between the United States and China.