Irwan: Malaysia prepared for new normal in global economy

Q: How do you gauge the country's economy so far?

A: Last year has been a challenging year, but we have sailed through it very well. I believe we will achieve what we have targeted, from four to 4.5 per cent, in economic growth. Also, the government's deficit can be achieved at 3.1 per cent as what we have targeted. This year, we have prepared ourselves with the developments of the global economy, which is now known as the new normal (slower global economic growth and lower return of investment).

Looking at the United States with its new president and its new policies, some financial magazines have described them as protectionism and invert-looking to create more jobs domestically. Also, the development in the United Kingdom with Brexit. We have to take into account all these as we address the new normal.

Q: What is next for Malaysia?

A: We are more open in terms of our economy as we will continue with our open policy and encourage foreign investors to come here. We have also drafted our strategies in the 2017 Budget, which was tabled by the prime minister. He has listed steps (that can be taken). Even during the (recent) Umno assembly, he (the prime minister) touched on several measures that we at the government level are working to realise.

For the short term, we aim to become a high-income nation by 2020 and in the next seven years, we want to become a RM2 trillion economy. Our long-term goal is to be in the top 20 nations by 2050.

To achieve this, we are focusing on the capital economy that will be balanced with the people's economy. Looking at the capital economy, among the things that the government will immediately implement is to achieve an economic growth of at least five per cent a year and to do this, we encourage foreign and domestic investments as well as a consumption-driven economy.

On the supply side, we will focus on sectors such as the services sector, including tourism, health, education, logistics and the digital economy, which we will continue to develop to record growth of five per cent.

We will also execute infrastructure projects and some of them will be completed this year, such as MRT Line 1 followed by MRT Line 2. We will also tender out the High-Speed Rail project soon. We are implementing the Pan-Borneo Highway (project) and the East Coast Rail Link (project). With what we have done and will do, we are creating a vibrant economic climate in the east coast states. Products from Terengganu, Pahang and Kelantan can be exported via Port Klang.

The detailed preparations made under the capital economy will create more jobs for the people and wealth for local businesses. These projects will have multiplier effects to sustain our economic growth.

Q: What is your take on the people's economy?

A: For this, we will implement programmes, such as BRIM, and build schools. Our healthcare scheme is great. Where can we find a good healthcare service from the government by just paying RM1?

At the same time, we will continue with the entrepreneurship programmes which I am also involved in via MaGIC (Malaysian Global Innovation and Creativity Centre). This year is declared as the Start-up and SMEs Promotion Year to turn SMEs into key contributors to the country's economy. The start-up efforts will give opportunities to our graduates and young Malaysians to start their own businesses.

Others programmes, like Technical and Vocational Education and Training, coding in school and mastering of the English language will raise the people's productivity and ability.

Q: How did BRIM come about?

A: It was done after the government conducted an in-depth study on its aid programmes. Before BRIM, the government aid (programmes) were not targeted (or helping the target group, B40). Various quarters have suggested that the government rationalise its subsidy programmes. After numerous studies conducted by various quarters, including Bank Negara, EPU (Economic Planning Unit) and the Finance Ministry, the government agreed to rationalise its subsidy programmes.

Q: What is the purpose of BRIM?

A: It is to ease their (the B40) burden. It is not a source of income for them. They have to work. BRIM is just to supplement and reduce their financial burden.

Q: How much did the government fork out for the fuel subsidy?

A: In 2012, the subsidy for petrol reached nearly RM25 billion. But, who actually benefited from the subsidised fuel? Not so much the poor, but mostly those who owned big cars, with some even having several cars. So, we decided to rationalise the subsidy. Money saved under the subsidy rationalisation exercise is channelled to BRIM.

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