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EPF: Growth expected at 3pc yearly

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KUALA LUMPUR: Malaysia's economy is expected to grow three per cent annually by the time it becomes an advanced economy, says Employees Provident Fund (EPF) head of economics and capital markets Nurhisham Hussein.

He said the presumed drop was something that the country needed to get used to as it entered advanced nation status.

"Right now, we are growing at a healthy rate of four to five per cent and that's good, but as we're increasingly moving towards an advanced nation, we need to be more comfortable with slower growth," he said at Nomura Asset Management Malaysia's Annual Breakfast Conference, here, yesterday.

"Take a look at Singapore. They are now growing at a range of two to three per cent per year and they are comfortable with that because they have hit that advanced nation status that we are aspiring to be."

Nurhisham said the trend of investment in Malaysia would eventually change from being an infrastructure-driven economy to one that was consumption-driven.

"We have seen a decrease in foreign direct investments (FDIs) into the country, and this is a situation that is not unique to Malaysia alone as the world increasingly takes on a more populist stance. In fact, Malaysia is still getting FDI but we are more targeted about it now," he said.

Meanwhile, Nurhisham expressed concern about trends in Malaysia's population growth as this would have an impact on the

growth as this would have an impact on the economy over the long term.

He said the average growth rate of the population had dropped from 2.6 per cent in the 1980s to 2.2 per cent in the 2000s, and was projected to decline to 1.2 per cent by 2020 and 0.6 per cent by 2040. **Lidiana Rosli**
