

The Star - MoF Retains GDP Growth of 4.9% For 2019 Despite Nikkei's Higher Projection

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Finance Minister Lim Guan Eng said the MoF will remain cautious and maintain its current growth projection for this year.

KUALA LUMPUR: The Ministry of Finance (MoF) is retaining its economic growth outlook of 4.9% for 2019 despite a more optimistic projection by the latest Nikkei Manufacturing Purchasing Managers' Index (PMI) reading of 5.2% growth.

Finance Minister Lim Guan Eng said on Friday the latest Nikkei Manufacturing PMI reading for Malaysia rose to 49.4 points in from 47.2 points in March.

"This is the highest level recorded in seven months. Nikkei in its PMI note wrote that the April 2019 reading indicated a 5.2% expansion in this year's GDP, which is higher than the 4.9% growth projected by the ministry.

"Nevertheless, the MoF will remain cautious and maintain its current growth projection for this year," he said.

Lim said the April PMI rise was contributed by, among others, an increase in export orders, employment growth, investment into new machines and plants, as well as improved business confidence built on policy clarity and certainty provided by the government's reform agenda.

He said according to Nikkei, the April business confidence level is the highest since October 2013.

Lim pointed out the increase in new investment was a direct result of the Government's ability to grow Malaysia's approved foreign direct investment (FDI) by 48% to RM80.5bil in 2018 from RM54.5bil in 2017.

"The continuous sustainable growth proves that the current recovery and development initiatives carried out by the Pakatan Harapan administration are proceeding as planned. The government will continue its efforts to

enhance the people's welfare by focusing on achieving high-quality growth," he said.