Bernama - Government To Launch Short-Term Economic Recovery Plan - Zafrul

Wednesday, May 13 2020

KUALA LUMPUR, May 13 -- The government will be implementing a short- and medium-term economic recovery plan to rejuvenate the country's economic growth soon, said Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz.

The plan will highlight health guidelines and safe operating procedures in the new norm, capacity building, hiring of workers, job creation as well as boosting consumer spending, especially through digital channels.

Additionally, the government will also support the restructuring, recovery and growth of small and medium-sized enterprises (SMEs) especially via digital technology, enhancing resilience and developing growth opportunities for medium and large-sized companies, boosting investor confidence and generating short-term economic growth, he said.

"Through the measures which will be announced soon, the government is confident that Malaysia will be in a strong position to face the increasingly challenging global economy.

"While the Malaysian economy is expected to record slower growth this year, economic growth for 2021, on the other hand, is projected to be better based on future global and domestic economic recovery measures," he said.

Tengku Zafrul said this in a statement today in conjunction with Bank Negara Malaysia's (BNM) announcement on the country's gross domestic product (GDP) performance for the first quarter of 2020 (Q1 2020).

BNM said the country's economic growth had moderated to 0.7 per cent in Q1 2020 amidst a challenging global economic and trade environment, mainly due to the COVID-19 pandemic.

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In terms of demand, economic growth was supported by government and household spending, while in terms of supply, GDP growth was driven by the services and manufacturing sectors.

However, the mining, construction and agriculture sectors posted negative growth during the quarter, while the unemployment rate stood at 3.5 percent and inflation rose by 0.9 percent.

Tengku Zafrul said the world is facing challenges in terms of economic growth, demand contraction as well as supply chain disruption.

“Malaysia has not been exempted from the impact from the global situation, and economic recovery efforts will take some time.

"The government has implemented its six-phase plan (6R - Resolve, Resilience, Restart, Recovery, Revitalise and Reform) and the country is now at the third stage, which is to restart the economy in an orderly and controlled manner," he said.

Tengku Zafrul added that the RM260 billion Prihatin Rakyat Economic Stimulus Package and the accommodative monetary policy had helped to relieve economic pressures for the past few months.

"In this regard, further economic development needs to be balanced with the importance of public health and orderly and safe economic regeneration," he added.

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