



MEDIA RELEASE

MINISTRY OF FINANCE MALAYSIA

Malaysia Is The Biggest Gainer In Asian Corporate Governance Association's Survey After Rising 3 Spots To 4th Out Of 12 Countries And This Proves Institutional Reforms Undertaken By The Government Are Bearing Fruits

The 2018 CG Watch report published by the Asian Corporate Governance Association (ACGA) and CLSA in December has ranked Malaysia 4th out of 12 Asia-Pacific economies in terms of market accountability and transparency. This is a significant improvement from 7th place in 2016 when the report was previously published. This means Malaysia is the biggest 2018 gainer among regional rivals that include Australia, China, Hong Kong, Japan and Singapore.

Chart 1: Rankings of 12 countries based on ACGA's 2018 CG Watch survey on accountability and transparency

Ranking	2018	2016
1	Australia	Australia
2	Hong Kong	Singapura
3	Singapura	Hong Kong
4	Malaysia	Jepun
5	Taiwan	Taiwan
6	Thailand	Thailand
7	Jepun, India	Malaysia
8	-	India
9	Korea Selatan	Korea Selatan
10	China	China
11	Filipina	Filipina
12	Indonesia	Indonesia

The rise further proves that the Government's continuous effort to instil the principles of Competency, Accountability and Transparency (CAT) in its administration is bearing fruits. The ACGA states that the 2018 improvement reflects Malaysia's "concrete moves to tackle endemic corruption issues fostered by the previous Najib regime." The report further stresses that the jump is based on optimism over the 9 May 2018 political change in Malaysia, which has translated into "tangible improvements to enforcement and reporting."

Apart from strong anti-corruption measures currently undertaken, the Government has embraced open tender in its procurement process more widely. This has not only increased the level of transparency in the public sector, but has also influenced the private sector positively. The application of zero-based budgeting and the migration towards accrual accounting from cash accounting by 2021 as announced in the 2019 Budget are also part of the Government's wider institutional reform agenda that will further raise the level of accountability and transparency in the Government.

The improvement in the 2108 CG Watch report is only one example how the Government's institutional reform agenda is raising Malaysia's governance quality and contributing to the Government's fiscal sustainability. These institutional reforms undertaken by the Government have convinced the top three rating agencies to maintain Malaysia's sovereign credit ratings at A- or A3. Moody's on 7 December 2018 is the latest to have done so and this came after Fitch Ratings reaffirmed the Government's credit ratings at A- on 14 August 2018.

The biggest proof yet demonstrating that the Government's plan is working is the dramatic surge in approved foreign direct investment in manufacturing since May 2018 as reported by the Malaysian Investment Development Authority (MIDA). Approved manufacturing FDI for the period from May until September 2018 rose as much as 379% year-on-year, or RM27.7 billion to RM35.0 billion, from merely RM7.3 billion in the May-September 2017 period. The total approved manufacturing FDI so far for this year is expected to create more than 30,000 new jobs in the near future once it gets implemented.

The Government will press on with its institutional reforms to prevent widespread abuses that happened under the previous administration from repeating and to improve the economic well-being of all Malaysians.

Sayangi Malaysiaku!

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11 December 2018
