

**THE 71st ECONOMIC AND SOCIAL COMMISSION FOR ASIA
AND THE PACIFIC (ESCAP)**

MALAYSIA

Country Statement

The Honorable Chairman,

Madame Executive Secretary,

Distinguished delegates, Ladies and Gentlemen,

At the outset, my delegation would like to express our sincere appreciation to ESCAP for the excellence arrangement and hospitality accorded to our delegate during the 71st session and to the host country Thailand.

Mr. Chairman,

2. Malaysia has able to transform from a low-income economy in the 1970s to a high middle-income economy today. The fruits of growth has not only been enjoyed by the people as reflected by the higher level of household incomes and the eradication of poverty, but has also been better distributed, narrowing the income gap between different income groups. In terms of per capita income, it has increased 3.8 times in nominal terms since 1991 from US\$2,757 to US\$10,426 in 2014. With the given growth

targets and continued restructuring towards a more dynamic economy, Malaysia is expected to reach a high-income nation status by 2020 with per capita income exceeding our minimum threshold of US\$15,000. Parallel to the economic achievements, we have also achieved commendable success in terms of social progress. The Malaysian Wellbeing Index, which is developed to measure the wellbeing of the people, encompasses multi-dimensional aspects including environment, income and distribution and social participation. It recorded an increase of 25.4 points during the period of 2000 - 2012 indicating that the wellbeing of the people has improved consistently along with the economic progress over the years.

3. These achievements are in line with Malaysia's commitment to place the wellbeing of the people as the priority of its development efforts. Today, Malaysians from all walks of life, irrespective of their differences, are able to enjoy better quality of life with greater access to education and healthcare as well as public amenities and infrastructure. While pursuing for material growth, Malaysia has not disregard the nation's endowment. As such, the government is committed to protect the environmental quality of life and caring for the planet, while harnessing economic value from the process. Towards this end, several measures were undertaken, including adopting the sustainable production practices to decouple economic growth from environmental degradation.

4. To note, we are in the final year in implementing the Tenth Malaysia Plan (2011-2015) and will embark into the upcoming

plan, the Eleventh Malaysia Plan, 2016-2020. The Eleventh Plan is premised upon six strategic thrusts which are i) enhancing inclusiveness; (ii) improving well-being; (iii) harnessing talent; (iv) pursuing green growth; (v) strengthening the foundation for economic expansion; and (iv) re-engineering economic growth. At the core, these thrusts are based on the triple objectives of the New Economic Model of achieving a high income, inclusivity and sustainability in various aspects. These thrusts also address two matters. Firstly, it addresses the needs of the people and leverages on our human capital or the **people economy**. And, secondly it addresses the economic means, or the **capital economy**, to achieve our goal to become a developed and high-income nation by 2020. The people economy is concerned with what matters most to the people, which includes jobs, small businesses, the cost of living, family wellbeing, and social inclusion, while the capital economy is about GDP growth, big businesses, large investment projects, and financial markets,

5. The Eleventh Malaysia Plan will continue to focus on accelerating strategic economic reforms, maintaining macroeconomic stability and enhancing inclusivity and sustainability. All citizens stand to benefit from economic development regardless of gender, ethnicity, socioeconomic status and geographic location. This is a very important tenet for a plural society like Malaysia that is multi-ethnic, multi-religious and multi-cultural. Malaysia will also continue to review and modernise regulations and laws, towards facilitating a well-functioning market economy towards an inclusive and sustainable development.

Mr. Chairman,

6. As Malaysia moves towards becoming an advanced and inclusive nation by 2020, there are still several challenges with respect to **inclusivity**, **sustainability** and **social development** that need to be addressed.

7. In terms of **inclusivity**, Malaysia has succeeded in significantly reducing the overall incidences of poverty from 1.7% in 2009 to 0.6% in 2014. However, there are sections of the population who remain vulnerable due to inability and disadvantaged circumstances. The government is re-focusing on the bottom 40 percent of the household income group in the Eleventh Plan, to reduce their vulnerability to economic shocks and elevate them towards a middle class society. At the same time, the overall income inequality and income disparity between ethnic groups also improved significantly.

8. In terms of environmental **sustainability**, the main challenge for Malaysia is to address issues related to climate change, environmental degradation and natural resources as well as natural disasters. In order to address these challenges, the Eleventh Malaysia Plan will shift from the conventional and costly “grow first, clean up later” path to Green Growth trajectory. Apart from ensuring a more sustainable socio-economic growth, green growth will also ensure efficient use of resources, minimal pollution to the environment and resilience against the impact of climate

change and natural disasters. Ultimately, successful implementation of green growth will ensure sustainability of natural resources; expand economic opportunities and better wellbeing and quality of life for the people. In this regard, four key strategies, namely i) strengthening the enabling environment for green growth; ii) adopting the sustainable consumption and production concept; iii) conserving natural resources for present and future generations; and iv) strengthening resilience against climate change and natural disasters, will be implemented in the next five years to realise Malaysia's goals in green growth.

9. With respect to **social development**, the Government will improve the wellbeing of the people, regardless of socio-economic background or geographic location. Equality of access to quality education, healthcare and affordable housing will be ensured. Greater social integration will be given due emphasis in leading Malaysia to a more united and cohesive community. Special focus will be given to strengthening family institutions, developing youth leaderships and entrepreneurship, increase women role in the economy and the community, as well as childcare and protection, active ageing for elderly and enhancing employment and training for persons with disabilities.

10. The role of the financial sector is envisioned to grow beyond its role as an enabler of growth to be a key driver and catalyst of economic growth. Towards this end, the aim is for the financial sector to be more competitive, dynamic, inclusive, diversified and integrated, with the ability to offer world class financial services, in terms of breadth, depth and quality to serve the needs of Malaysia.

The growth of the financial system should be ultimately anchored to the growth in the real sector. Based on the rate of growth of the economy projected for the next decade, the financial sector is envisaged to expand to six times of GDP in 2020 from 4.3 times of GDP as at 2010. Meanwhile, the contribution of the financial services sector to nominal GDP is expected to grow from 8.6% of nominal GDP in 2010 to between 10 and 12% by 2020.

Mr. Chairman,

11. In coming September, UN member states will adopt the post-2015 Sustainable Development Goals (SDGs) that will succeed the first ever 15-year global development agenda called the Millennium Development Goals (MDGs). The process has obtained the highest political commitment at the national level and involved multi-stakeholders engagement. The goals of the MDG has been embedded in the national development agenda and been implemented through the utilisation of resources for development. This mechanism has enabled Malaysia to be recognised in the achievement of MDG Goals, particularly MDG 1: Eradicating Poverty and Hunger, which reaches beyond the set goal. For post-2015, similar approach could be considered, while building on the strength of the MDG and focusing on filling up the gaps in the achievements of the MDG goals.

12. The ESCAP has been playing a significant role in laying a platform for formulation of collective actions that will carry great weight particularly on efforts to sustain economic growth and steer inclusive development. Through its flagship publication of the 2015

Economic and Social Survey of Asia and the Pacific, it presented outlook and prospects for the region, and outlines a policy agenda to address the current and foreseeable challenges, in order to sustain economy dynamism, while ensuring that growth is inclusive and environmentally responsible. Malaysia welcomes the views and recommendations presented in the survey. Many countries in the Asia Pacific regions have shown positive economic growth and will continue to do so through the support of a progressive development economic plan, strategic trade partnerships and political stability.

Mr. Chairman

13. Finally, Malaysia would like to emphasise that stronger regional cooperation and integration is necessary to provide a platform for the formulation of collective action that will allow for greater achievement of the development goals. Regional cooperation is a gateway to greater welfare and improved standards of living. In this regard, stronger cooperation and integration will promote a more equal and balance growth in this region. This cooperation should not only be confined to extending networking for poverty alleviation initiatives, knowledge sharing but also in dealing with the current socioeconomic issues and challenges such as the natural disasters and calamities as well as the global economic turbulence and volatility.

I thank you again, Mr. Chairman for giving me the opportunity to take the floor.