

**The Malaysian Economy Towards 2020:  
Issues and Challenges**

**22-23 March 2016, ISEAS Seminar Room 2**

**Opening Remarks by ISEAS Director, Mr Tan Chin Tiong**

Professor Lee Chew Ging, Dean, Nottingham University Business School,  
Distinguished guests, colleagues, ladies and gentlemen,

1. A warm welcome to the Conference on “The Malaysian Economy Towards 2020: Issues and Challenges” organized by ISEAS – Yusof Ishak Institute and the University of Nottingham, Malaysia.

We hope the discussions, observations and conclusions of the conference will promote a deeper understanding of the future trajectories of the Malaysian economy.

2. I would like to thank the distinguished attendees from the academia, government and international organisations, who are participating in this conference. I would also like to thank the Konrad Adenauer Stiftung for supporting this conference.
3. “Vision 2020” is a well-known phrase in Malaysia. First articulated in 1991 by then Malaysian Prime Minister, Dr. Mahathir Mohamad, the term symbolises Malaysia’s aspiration to become a fully developed country by the year 2020. Its main goals, are to “modernise the country and develop it economically, politically, socially, spiritually, psychologically and culturally”. These goals, forged during a period of rapid economic growth, remain as relevant as ever to the future prosperity and stability of Malaysia.
4. In the original Vision 2020 working paper, the size of the Malaysian economy was targeted to increase in real terms by 8-fold (from 115 billion ringgit in 1990 to 920 billion ringgit in 2020). To achieve this, an average annual growth of about 7 percent was required. This was a realistic projection given that the Malaysian economy grew at 9.4 percent per annum from 1987 to 1996. Subsequently to the Asian Financial Crisis in 1997, however, the rate of annual growth of the Malaysian economy has been between 5 to 6 percent. With slower economic growth, a revised target in terms of per capita income in a “high-income economy” was adapted. In the 11<sup>th</sup> Malaysia Plan, which

covers the period 2016-2020, if the Malaysian economy grows by 5-6% per annum, it will become a high-income economy by 2020.

5. Can the Malaysian economy grow by 5 to 6 percent in the next five years? How will the ongoing adverse global economic conditions affect the Malaysian economy? Are there internal and structural obstacles that may limit the potential growth of the economy in the medium to long term? Are the current and proposed new policies adequate to deal with these and other challenges?
6. The conference participants will dwell on these questions today and tomorrow and propose recommendations which all who are interested in the 11<sup>th</sup> Malaysia will find useful.

Thank you once again for your kind attendance and participation.