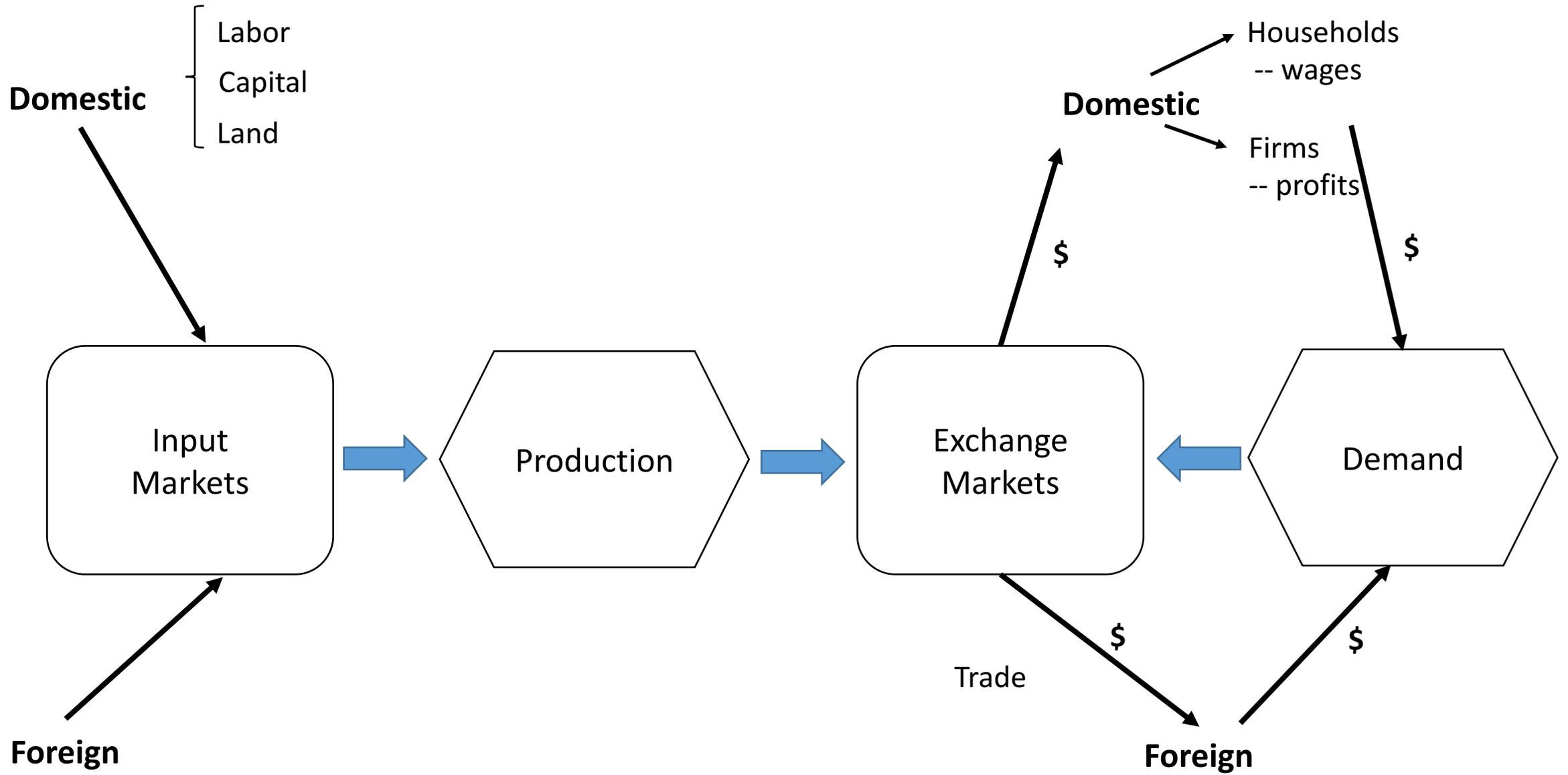


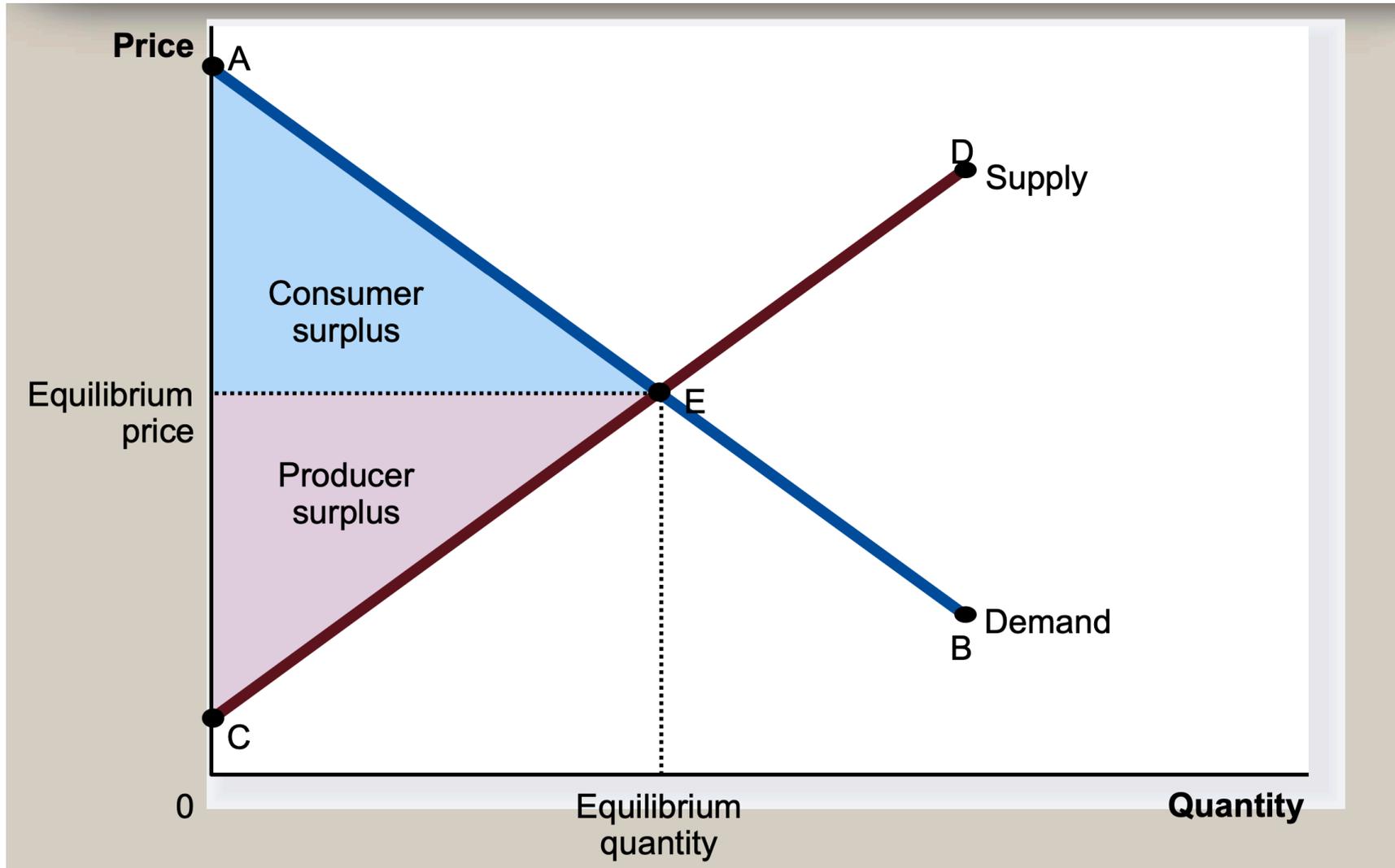
Malaysia's Challenges in Balancing Economic Growth with Social Equity

Nungsari Ahmad Radhi

14th November 2024
Perdana Leadership Foundation



		<u>Source of capital</u>		
		<i>Domestic</i>	<i>Foreign</i>	
<u>Market</u>	<i>Domestic</i>	distributive trade services 'heavy industries'	telco banking	Domestic sectors
	<i>Foreign</i>	resources resource-based industries tourism	FDI manufacturing	



Social Welfare
 = Consumer Surplus +
 Producer Surplus

- Efficiency
 - Allocative
 - Production

- Opportunities
- Mobility

EPF

General Inequality

SAVINGS	NO OF MEMBERS	SHARE OF TOTAL (%)	SAVINGS (%)
5,000 and below	1,213,371	15.91	0.37
5,001 – 10,000	680,072	8.92	0.74
10,001 – 50,000	2,523,749	33.10	9.83
50,001 – 500,000	3,029,966	39.73	63.99
500,001 and above	179,104	2.34	25.07
Total	7,626,262		

2020

THE EDGE
MALAYSIA

ASB

Bumi Inequality

NO OF UNITS	NO OF UNITHOLDERS	SHARE OF TOTAL UNITS (%)	VALUE (%)
5,000 and below	7,791,883	76.46	2.65
5,001 – 10,000	482,417	4.73	1.90
10,001 – 50,000	952,780	9.35	12.82
50,001 – 500,000	936,002	9.19	69.87
500,001 and above	27,452	0.27	12.76
Total	10,190,534		

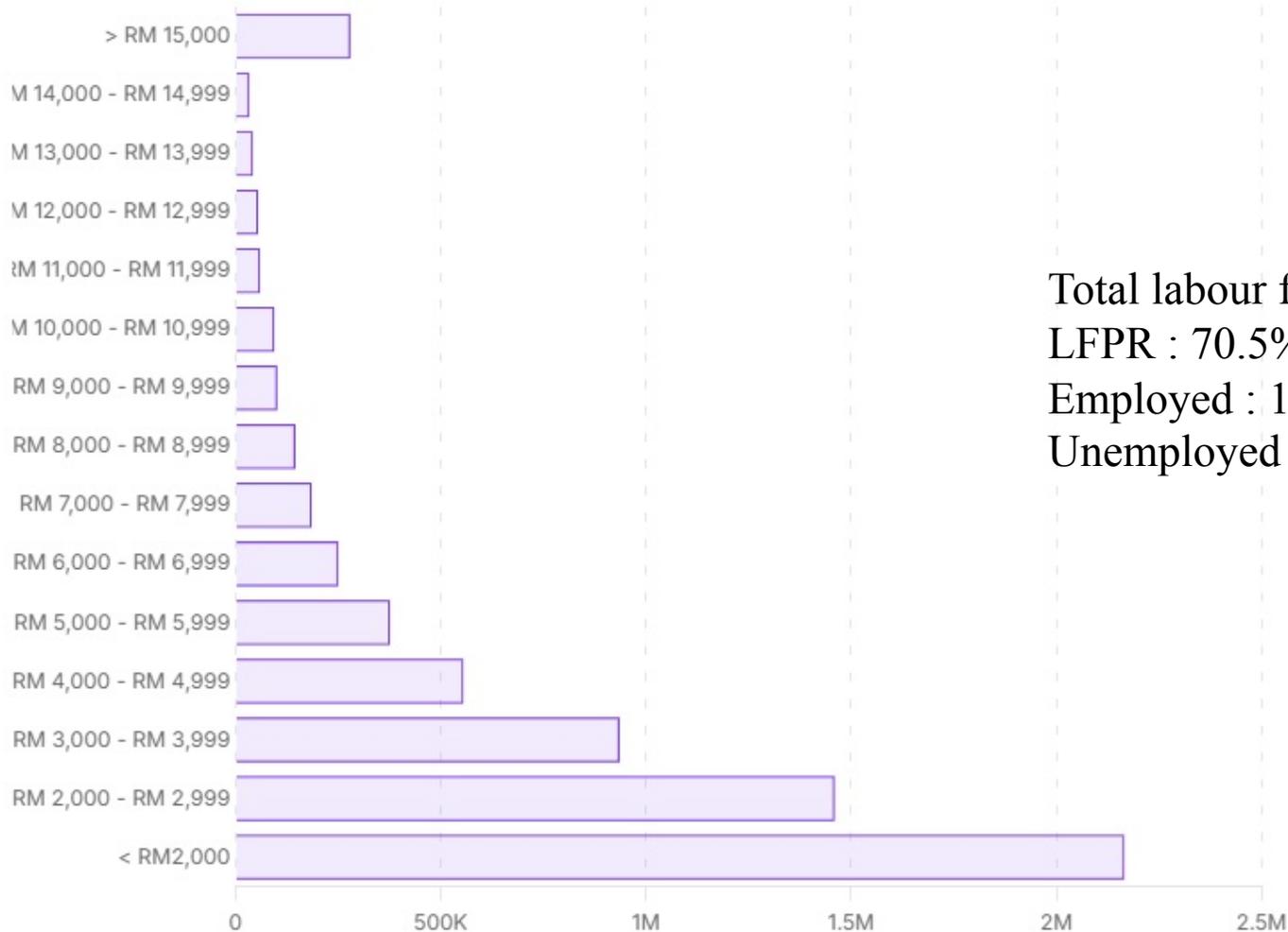
2020

THE EDGE
MALAYSIA

How are wages distributed in the formal economy?

6 million employees (~60% of formal Malaysian employees)

Malaysia: Distribution of Wages by Wage Bracket



Total labour force: 16.69 million persons (Sept 2024)

LFPR : 70.5%

Employed : 16.7 mil

Unemployed : 547.9 (3.2%)

MEAN MONTHLY HOUSEHOLD CONSUMPTION EXPENDITURE BY STATE, 2022



GDP growth (annual %) - Malaysia

World Bank national accounts data, and OECD National Accounts data files.

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Growth is also a problem, not just inequality

GDP (current US\$) - Malaysia, Viet Nam, Indonesia

World Bank national accounts data, and OECD National Accounts data files.

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Line

Bar

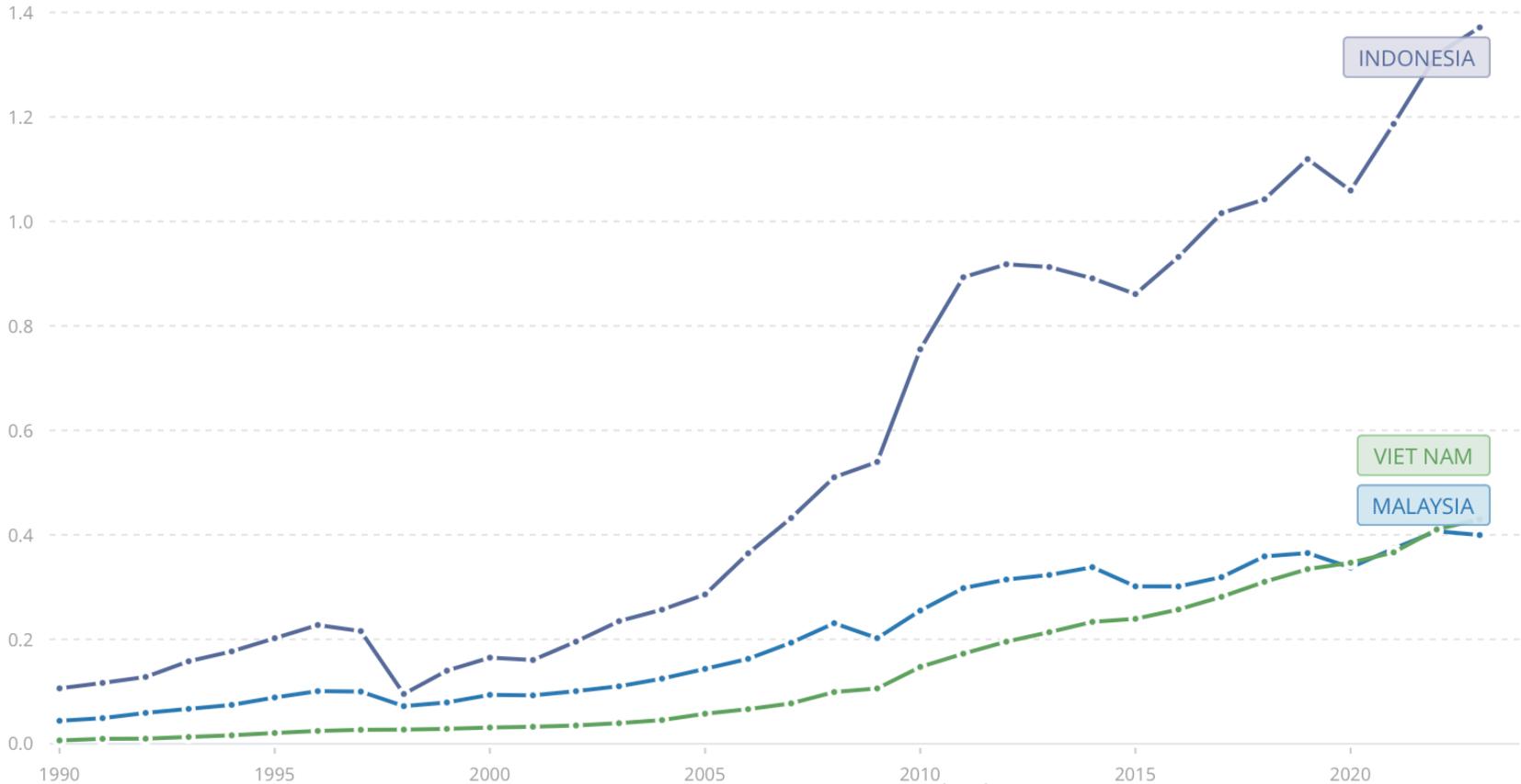
Map

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LABEL



Nungsari 14/11/24

The Imperatives

- Increasing labor share of total income
- Increasing footprint of local firms
- Increasing female labour force participation rate
- Fixing the fiscal state of affairs
- Fixing the education system