

Govt to grow agricultural sector for sustained food security

THE government will foster the agricultural sector to increase productivity to deliver the triple dividends of sustained food security, more productive human resources, and more efficient use of land and water.

Deputy Finance Minister I Mohd Shahar Abdullah said the government needs to promote and nurture key sectors such as agriculture, in which a large number of people are engaged.

“Agricultural transformation remains a catalytic driver of economic diversification, industrialisation and human progress through its impact on household incomes, employment and the well-being of the communities,” he said in his keynote address at the Malaysia Economic Summit 2022 with the theme “Accelerating Structural Transformation, Driving Economic Growth” in Kuala Lumpur today.

According to the **Statistics Department**, the country’s self-sufficiency ratios are low for agricultural items such as beef (22.2%), mutton (9.6%), chilli (30.9%) and rice (63%).

The agriculture sector’s share of total GDP stood at 7.4% in 2020, which was comparatively small compared to neighbouring countries such as Indonesia (13.7%) and Thailand (8.6%).

Shahar said that thanks to the country’s strong economic fundamentals as well as effective public healthcare system, the government should be more prepared now in terms of the mechanisms to plan, implement, manage, and monitor all plans, developments, and policies in getting ready for the future.

On other strategic actions to be taken, Shahar said the government must also implement integrated strategies and broad partnerships to strengthen institutions, address regulatory barriers and ensure adequate protection for investors and workers.

“This would reduce macroeconomic and political instability, promote a competitive environment for the local industries, increase domestic and external investment and establish access to long-term financing,” he said.

Shahar said priorities must be given to social and economic infrastructure that includes social security in developing a more inclusive and sustainable future.

“The cash assistance and the fuel subsidy programmes will be enhanced through more effective distribution mechanisms, moving away from blanket subsidies to more focused subsidies,” he said.

To ensure a more balanced regional development, the government will continue to attract high quality investment in all economic corridors.

“Rural areas will be developed as a growth catalyst. Therefore, emphasis will be given to improve the business ecosystem and upgrade infrastructure in the less developed regions or states,” he explained.

Shahar also said the Finance Ministry is committed to extensive engagement with the stakeholders to obtain input and suggestions during the preparation and finalisation of Budget 2023.

“The public and stakeholders assist the ministry to formulate appropriate policies for the betterment of the people and the country. As the saying goes, ‘Together we stand, divided we fall’. I truly believe that working closely and supporting one another will make our country strong and prosperous for all,” he concluded. – Bernama, June 14, 2022.

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