



Govt to foster agriculture sector to expedite structural transformation

KUALA LUMPUR, June 14 (Bernama) -- The government will foster the agriculture sector as one of its strategic actions to expedite structural transformation, as higher agricultural productivity will deliver triple dividends, namely sustained food security, more productive human resources, and more efficient use of land and water.

Deputy Finance Minister I Datuk Mohd Shahar Abdullah said the government needs to promote sectors that have comparative advantages and nurture key sectors like 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 themed "Accelerating Structural Transformation, Driving Economic Growth" here today.

According to the **Department of Statistics Malaysia**, the country's self-sufficiency ratios are low for agricultural items such as beef (22.2 per cent), mutton (9.6 per cent), chilli (30.9 per cent) and rice (63.0 per cent).

The agriculture sector's share of total Gross Domestic Product stood at 7.4 per cent in 2020, which was comparatively small compared to neighbouring countries such as Indonesia (13.7 per cent) and Thailand (8.6 per cent).

Mohd 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 apart from nurturing key sectors like agriculture, Mohd 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.

Mohd 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.

Meanwhile, Mohd Shahar also said as the Finance Ministry is committed to taking on extensive public and stakeholders' engagement 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.

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