Current Economic Situation

Although Malaysia maintains its status as a middle-income country, Malaysia aims to achieve high-income status by the year 2020. In addition, the current administration is continuing efforts to invigorate its domestic markets and lighten the economy’s dependence on the export industry. As an oil and gas exporter, Malaysia has flourished in recent years due to increased world prices and healthy foreign exchange reserves.

Industrial and services sectors constitute the major sectors in Malaysia’s economy contributing 55.4 and 35.9 percent to GDP respectively and employing a total of 85.2 percent of Malaysia’s workers.

APEC Relations

Malaysia hosted the 1998 annual APEC Economic Leaders’ Meeting and 10th APEC Ministerial Meeting in Kuala Lumpur. At the time, the focus of the meeting lied in economic recovery and response to the Asian Financial Crisis. Since then, Malaysia has engaged in many APEC activities, including but not limited to joining the APEC Digital Opportunity Center, participating in the APEC Business Travel Card, and taking part in the APEC Training and Certification Program for Small Business Counsellors.

At the Trade Ministers meeting held in Singapore in July 2009, Malaysia’s Dato Sri Mustapa Mohamed, Minister of International Trade and Industry told APEC delegates that they must intensify efforts to develop and promote Small and Medium Enterprises (SMEs) in the region as SMEs formed the backbone of APEC economies. SMEs account for more than 90 per cent of total business establishments in APEC economies and approximately 30 per cent of business turnover.

Energy and Environmental Policy

The Ministry of Energy, Green Technology and Water has identified three principal energy objectives that would be instrumental in guiding the development of its energy sector. 1.) Supply - To ensure the provision of adequate, secure and cost-effective energy supplies through developing indigenous energy resources both non-renewable and renewable energy resources using the latest cost options and diversification of supply sources both from within and outside the country. 2.) Utilization - To promote the efficient utilization of energy and discourage wasteful and non-productive patterns of energy consumption. 3.) Environment - To minimize the negative impacts of energy production, transportation, conversion, utilization and consumption on the environment.

Response to crisis

The Malaysian financial system exhibited noteworthy resilience to the 2008 global financial crisis. Malaysian banks are well capitalized and have no measurable exposure to the U.S. sub-prime market. The central bank maintains a conservative regulatory environment, having prohibited some of the riskier assets in vogue elsewhere.