The Penang State Government 2017 Deepavali Message By Penang Chief Minister Lim Guan Eng In Komtar, George Town On 27.10.2016.

Promise Of Economic Prosperity Of Ordinary Malaysians Hijacked By RM52 Billion 1MDB And RM4.2 Billion Donation Scandals As Well As The Imposition of GST.

The Penang state government wishes all Hindus a Happy Deepavali, Unfortunately this year's celebrations have been affected by the shortage of cooking oil caused by the removal of cooking oil subsidies. Cooking oil prices will rise just like other basic commodities and services such as toll rates.

The promise of economic prosperity of ordinary Malaysians hijacked by RM52 billion 1MDB and RM4.2 billion donation scandals as well as the imposition of GST. Unfortunately this fact has been covered up not just by acts of racism and religious extremism but also with lies of economic non-performance against the Penang state government.

First, it is untrue that investors have fled or reduced their investment in Penang. For the comparative 8-year period from 2008-15 compared to 2000-7, Penang's manufacturing investment increased by 87% to RM54.9 billion from RM24.9 billion, with job creation increased by 17 % to 128,317 job opportunities from 106,583. Unemployment rate for Penang is one of the lowest in the country at 1.6% creating a shortage of 20,000 workers.

Tourism has also increased with our Penang International Airport reaching capacity of 6.5 million passengers 4 years ahead of the scheduled 2020. This success is reflected in the growth rate of per capita GDP, the highest in the country in 2015.

It is true that the Department of Statistics' figures also show (below), that in the year 2007, Penang was the bottom state in recording the lowest percentage growth in per capita GDP. After 8 painful years to turn things around, we managed to redeem our shame in 2015, when Penang finally succeeded in topping the country as national champions with the highest percentage growth in per capita GDP.

**CHANGE IN GDP PER CAPITA BY STATE**

| Rank | STATE | 2006 | 2007 | 2006-2007 | |
|---|---|---|---|---|---|
| | | | | % change | RM Increase |
| 1 | Sabah | 12,138 | 14,104 | 16.20% | 1,966 |
| 2 | Kelantan | 6,752 | 7,662 | 13.50% | 910 |
| 3 | Kedah | 10,821 | 12,160 | 12.40% | 1,339 |
| 4 | Perak | 13,233 | 14,832 | 12.10% | 1,599 |
| 5 | Pahang | 18,108 | 20,160 | 11.30% | 2,052 |
| 6 | Sarawak | 27,782 | 30,790 | 10.80% | 3,008 |
| 7 | Johor | 16,996 | 18,753 | 10.30% | 1,757 |
| 8 | Terengganu | 17,692 | 19,476 | 10.10% | 1,784 |
| 9 | WP Kuala Lumpur | 45,519 | 49,687 | 9.20% | 4,168 |
| 10 | Negeri Sembilan | 22,796 | 24,605 | 7.90% | 1,809 |
| 11 | WP Labuan | 31,281 | 33,687 | 7.70% | 2,406 |
| 12 | Selangor | 24,571 | 26,359 | 7.30% | 1,788 |
| 13 | Perlis | 13,555 | 14,500 | 7.00% | 945 |
| 14 | Melaka | 22,065 | 23,415 | 6.10% | 1,350 |
| 15 | Pulau Pinang | 29,624 | 31,381 | 5.90% | 1,757 |

| Rank | STATE | 2014 | 2015 | 2014-2015 | |
|---|---|---|---|---|---|
| | | | | % change | RM Increase |
| 1 | Pulau Pinang | 42,130 | 44,847 | 6.40% | 2,717 |
| 2 | WP Labuan | 55,566 | 58,577 | 5.40% | 3,011 |
| 3 | Kedah | 17,329 | 18,249 | 5.30% | 920 |
| 4 | Perak | 24,132 | 25,418 | 5.30% | 1,286 |
| 5 | Johor | 28,089 | 29,539 | 5.20% | 1,450 |
| 6 | Selangor | 40,536 | 42,611 | 5.10% | 2,075 |
| 7 | WP Kuala Lumpur | 90,464 | 94,722 | 4.70% | 4,258 |
| 8 | Pahang | 29,341 | 30,343 | 3.40% | 1,002 |
| 9 | Melaka | 38,656 | 39,853 | 3.10% | 1,197 |
| 10 | Kelantan | 11,748 | 12,075 | 2.80% | 327 |
| 11 | Negeri Sembilan | 35,865 | 36,699 | 2.30% | 834 |
| 12 | Perlis | 20,999 | 21,394 | 1.90% | 395 |
| 13 | Terengganu | 26,397 | 26,529 | 0.50% | 132 |
| 14 | Sabah | 19,723 | 19,734 | 0.10% | 11 |
| 15 | Sarawak | 44,596 | 44,012 | -1.30% | -584 |

Source: Department of Statistics and Penang Institute's calculations.

Penang took longer than expected(8 years) to turn things around. However, this is to be expected because once you reach rock-bottom, it is not easy to quickly become top. Even if we do a comparative basis over a longer period and not base our analysis on a single year, it is clear that Penang painstakingly improved

its position year by year from 2008 onwards, before scaling the heights as national champion in 2015.

## Ranking of the growth rate of GDP per capita by states in Malaysia (current prices)

| | 2005-2015 (%) | | 2006-2015 (%) | | 2007-2015 (%) | | 2008-2015 (%) | | 2009-2015 (%) | | 2010-2015 (%) | | 2011-2015 (%) | | 2012-2015 (%) | | 2013-2015 (%) | | 2014-2015 (%) | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | WP Kuala Lumpur | 125.5 | WP Kuala Lumpur | 108.1 | WP Kuala Lumpur | 90.6 | WP Labuan | 88.5 | WP Labuan | 87.7 | WP Labuan | 52.4 | WP Kuala Lumpur | 54.0 | WP Kuala Lumpur | 22.9 | Pulau Pinang | 16.5 | Pulau Pinang | 6.4 |
| 2 | WP Labuan | 120.6 | Perak | 92.1 | WP Labuan | 73.9 | WP Kuala Lumpur | 68.7 | WP Kuala Lumpur | 66.1 | WP Kuala Lumpur | 46.4 | WP Labuan | 33.0 | Pulau Pinang | 21.0 | WP Kuala Lumpur | 15.2 | WP Labuan | 5.4 |
| 3 | Perak | 106.5 | WP Labuan | 87.5 | Perak | 71.4 | Melaka | 54.0 | Perak | 60.8 | Perak | 39.6 | Pulau Pinang | 26.2 | WP Labuan | 19.2 | Perak | 15.2 | Perak | 5.5 |
| 4 | Kelantan | 98.8 | Melaka | 80.6 | Melaka | 70.2 | Perak | 53.6 | Melaka | 56.9 | Melaka | 35.7 | Perak | 24.8 | Perak | 17.1 | Johor | 12.3 | Kedah | 5.3 |
| 5 | Melaka | 95.5 | Kelantan | 78.8 | Selangor | 61.7 | Johor | 46.5 | Johor | 56.5 | Johor | 34.1 | Selangor | 23.6 | Johor | 16.1 | Selangor | 11.9 | Johor | 5.2 |
| 6 | Kedah | 86.0 | Johor | 75.8 | Kelantan | 57.6 | Selangor | 45.6 | Selangor | 49.7 | Pulau Pinang | 35.5 | Melaka | 22.9 | Selangor | 15.8 | Melaka | 11.6 | Selangor | 5.1 |
| 7 | Pahang | 83.5 | Selangor | 73.4 | Johor | 57.5 | Kelantan | 40.9 | Pulau Pinang | 49.0 | Selangor | 31.9 | Johor | 21.3 | Melaka | 14.0 | Kedah | 9.8 | WP Kuala Lumpur | 4.7 |
| 8 | Selangor | 81.4 | Kedah | 68.5 | Pahang | 50.5 | Kedah | 40.1 | Pahang | 47.7 | Kedah | 30.0 | Kedah | 17.3 | Kedah | 13.4 | WP Labuan | 9.3 | Pahang | 3.4 |
| 9 | Johor | 81.2 | Pahang | 67.6 | Kedah | 50.1 | Perlis | 36.2 | Kedah | 46.2 | Pahang | 27.0 | Perlis | 16.9 | Terengganu | 10.8 | Pahang | 8.9 | Melaka | 3.1 |
| 10 | Sabah | 77.2 | Sabah | 62.6 | Negeri Sembilan | 49.2 | Negeri Sembilan | 36.2 | Kelantan | 43.4 | Sarawak | 25.6 | Negeri Sembilan | 14.2 | Pahang | 10.7 | Terengganu | 8.5 | Kelantan | 2.8 |
| 11 | Negeri Sembilan | 76.7 | Negeri Sembilan | 61.0 | Perlis | 47.5 | Pahang | 35.8 | Negeri Sembilan | 45.4 | Negeri Sembilan | 25.0 | Terengganu | 13.9 | Perlis | 9.5 | Negeri Sembilan | 7.6 | Negeri Sembilan | 2.5 |
| 12 | Sarawak | 74.0 | Sarawak | 58.4 | Sarawak | 42.9 | Pulau Pinang | 33.1 | Perlis | 40.9 | Kelantan | 23.1 | Pahang | 12.1 | Negeri Sembilan | 8.7 | Kelantan | 7.0 | Perlis | 1.9 |
| 13 | Perlis | 67.7 | Perlis | 57.8 | Pulau Pinang | 42.9 | Terengganu | 28.4 | Sarawak | 40.7 | Terengganu | 23.0 | Kelantan | 10.8 | Kelantan | 7.6 | Perlis | 5.9 | Terengganu | 0.5 |
| 14 | Terengganu | 67.2 | Pulau Pinang | 51.4 | Sabah | 39.9 | Sarawak | 18.6 | Terengganu | 38.9 | Perlis | 22.9 | Sarawak | 8.3 | Sarawak | 6.1 | Sabah | 5.6 | Sabah | 0.1 |
| 15 | Pulau Pinang | 67.1 | Terengganu | 49.9 | Terengganu | 36.2 | Sabah | 12.6 | Sabah | 27.2 | Sabah | 10.7 | Sabah | 0.4 | Sabah | 1.3 | Sarawak | 5.4 | Sarawak | -1.8 |

Source: Penang Institute's calculations based on the latest GDP data published by Department of Statistics Malaysia.

Our vision is to transform Penang into an international and intelligent city. Over the last few years, the Penang State Government's good governance and clean leadership, has aggressively promoted Penang as a location of choice for investors, a destination of choice for tourists and a habitat of choice for residents who desire sustainable living. From 2007-2015 onwards,

- Penang has recorded annual budget surpluses with accumulated surpluses of RM574 million over the last 8 years of 2008-2015, more than the accumulated surpluses under BN over the last 50 years from 1957-2007 of RM373 million. In other words we did better in 8 years than the previous government did in 50 years!
- Penang's asset reserves have nearly doubled over the 8 year period from RM850 million to RM1.6 billion.
- Penang's state's debts has been reduced by 90% over the same period and at RM69 million by end 2015, is the lowest in the country. This RM69 million debt compares with the total RM16.8 billion of debts owed by all 13 states, with Pahang owing the most at RM2.9 billion, followed by Sabah RM2.6 billion, Sarawak RM2.5 billion, Kedah RM2.3 billion and Kelantan RM1.3 billion.

Penang's successes in attracting both tourism and manufacturing investment have created traffic congestion which the state government hopes to overcome

under the RN27 billion Penang Transport Master Plan(TMP) combining rail, roads, air and water. We are awaiting Federal government approval.

Malaysia and Penang face many challenges due to the economic slowdown caused by imposition of GST and depreciation of the ringgit. Unfortunately, the 2017 Budget does not offer anything new to save our economy, especially to the construction industry. At a time of economic downturn, government projects are important to stimulate the economy. There is no reason why the Federal government cannot grant approval to the TMP, when it can add 0.5% to the country's GNP.

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