

Study visit to Malaysia on Macroeconomic Monitoring and Analysis

9-16 July 2011

Hosted by the University of Malaya Malaysian Center of Regulatory Studies (UMCORS)

Funded by the Sasakawa Peace Foundation

The study visit to Malaysia aims to provide opportunities for Lao delegates to exchange experience with relevant governmental agencies, research institutes and think tanks in Malaysia on macroeconomic monitoring, economic modeling and economic planning. The visit will also help strengthening networks between Lao and Malaysian institutions for further cooperation.



1. Visit the model development team at the Khazanah Nasional

The delegates from Laos, led by the Deputy Director General of the National Economic Research Institute (NERI), includes researchers and government officials from the NERI and counterpart agencies such as the Bank of Lao PDR, the Ministry of Finance, the Ministry of Industry and Commerce, the Ministry of Labor and Social Welfares and the National University of Laos.

The delegates are given opportunity to visit 8 Malaysian leading organizations dealing with macroeconomic monitoring analysis both from government and private sector. They are the Economic Planning Unit under the Prime Minister's Department; Ministry of Finance; the Malaysian Productivity Corporation; the Malaysian Institute of Economic Research; the University of Malaya; Malaysian Center of Regulatory Studies; the Federal Land Development Authority; Khazanah Nasional Berhad; and the Ulu Kelang Industrial Free Zone.



2. Exchange gift with Dr. Fatimah, Senior Fellow, EPU

Key lessons learnt from the study visit include the followings.

1. Malaysia uses variety of purposive economic model for macroeconomic estimation, monitoring and analysis. It is necessary that all economic related ministries in Laos begin developing a specific model that will serve the mandate of each organization.
2. The task of Macroeconomic monitoring and analysis are clearly divided among government agencies. The Central Bank and Ministry of Finance are responsible for short-term monitoring (quarterly and annually) while the Economic Planning Unit involves a medium to long-term analysis.
3. Government authorities rely on official data from the Department of Statistics for a consistent policy analysis. Estimation data is only used internally for government policy intervention purposes.
4. Malaysia adopts a comprehensive, consistent and systematic five year planning system, related to Malaysian Vision 2020 and other long-term strategy of the government.
5. Malaysia also used qualitative economic indicators to gauge the tendency of the economy on quarterly basis. The dissemination of the quarterly indices are through briefings, Internet and media.
6. The rural land development model of the Federal Land Development Authority is a world-wide well-known for its success in helping reducing rural poverty and creating jobs. The government develops land as well as other supportive linkage industries so that the development is sustainable.
7. Malaysia has a separate body to evaluate existing regulatory framework to promote the efficiency and effectiveness of the business environment.



3. Visit FELDA Palm Oil Industries Sdn Bhd

18 July 2011-07-18

Prepared by

Vanthana Nolintha