

The major macroeconomic policy in malaysia economics essay



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Among the major macroeconomic policy in Malaysia is to achieve sustained economic growth. Continued economic growth means an increase and expansion of an economy of a country. Increased economic activity is shown by the ability of an economy to produce goods and services increasing. To achieve sustained economic growth will increase a country's income and per capita and can provide employment opportunities to the public. Continued economic growth to measure the performance of a country's economic development. Continued economic growth means the economic development of a physical nature such as the total production of industrial goods, increase production of other economic sectors, infrastructure development, increase the number of school social and economic development or other. Continuing economic growth rate achieved by a country can be measured by the growth of real national income. In the economic growth we can see from the developments of an economic activity in terms of increased production of goods and services. To determine the growth of an economy, we can measure using real GDP or GNP. GDP is the total market value of all final goods and services issued by a country within a year regardless of who issued it. While GNP means the total market value of all goods, services produced by the end of the only citizen of a country within a year. There are factors that affect economic growth, continuing the development of educational standards and providing training facilities, the use of high technology, foreign investments and market expansion.

Hence, to achieve low unemployment is one of the main macroeconomic policies in Malaysia. Unemployment means a condition in which part of the workforce who wants to work at a certain rate of wages in the market that

cannot be any jobs. Labor or labor in an economy cannot be equated with the population in an economy. Labor can be referred to those aged between 15 and 58 years were working. While unemployment is not including school, college, university, and retirees. Unemployment is divided into 6 types of unemployment is frictional unemployment, structural unemployment, cyclical unemployment, technological unemployment, seasonal unemployment, and unemployment is not significant. The effect of unemployment will have an impact on the economy they do not encourage economic growth and will make the waste of factors of production. While the impact on individuals and society will lose the skills nor the person and the political and economic instability. To achieve a lower unemployment using monetary policy. Monetary policy to cope with unemployment in some way. First, reduce the statutory reserve ratio. When unemployment, the central bank should reduce the statutory ratio of commercial banks made. This will provide the ability for banks to increase lending. Meanwhile, brush will also increase public purchasing and to provide opportunities to meet the aggregate demand in the community. Hence, unemployment will be low and decreasing. In addition, lowering the bank rate or discount rate from the central bank to reduce unemployment. Bank rate is the interest rate charged by central banks to commercial banks. When the bank lowered rates by the central bank will lead to commercial banks will lower interest rates on public investment. Low interest rates will increase investment and to provide increased employment opportunities increased.

Low inflation one of the main macroeconomic policy in Malaysia. Inflation means that prices are going in the general price level. Price means the price

will generally reflect the overall price level of goods and services is available in an economy at a particular time. One method to reduce the general price level is taking a number of specific goods and services as a representative of the overall goods and services is there an economic performance and price will be measured using the price index. To achieve macroeconomic policy, we need to take several steps to achieve the lowest inflation rates. Among the basic use of physical. Physically able to control the tax policies of the items referred to the food, household goods, electrical goods, electronics and so forth. In addition, the terms of the administrative government should continue efforts to encourage healthy competition to produce goods and services performance of high productivity, technological modernization and competitiveness of the industry in terms of product prices. Increasing food production capacity as well as to reduce the inflation rate.

Finally, the balance of payments is one of the main macroeconomic policies in Malaysia. Definition of an account balance payments showing the inflow and outflow of foreign currency from any country. Foreign currency is to buy one currency and selling of another currency. The balance of payments is also a statement about the show business value. When the transaction value of its exports more than imports, the balance of payments in surplus and vice versa when the transaction value of its imports exceed exports, the balance of payments will be reduced.