



CPPS FACT SHEET: TAKING STOCK OF THE IMPLEMENTATION OF THE 10TH MALAYSIA PLAN

INTRODUCTION

The 10th Malaysia Plan was formulated to lay the foundation for Malaysia to achieve high-income status by the year 2020. The five-year development plan (2011-2015) focuses on supply-side reforms to create a conducive environment for the growth of the economy. The 10th Malaysia Plan targets average economic growth of 6% to increase Gross National Income (GNI) per capita to RM 38,845 (USD 12,139) by 2015. Numerous initiatives have been introduced towards that end via the Government Transformation Program (GTP), and the Economic Transformation Program (ETP), which are guided by the New Economic Model (NEM) framework.

The outcomes envisaged presented as **10 Big Ideas**:



Towards a High-Income Nation: HOW DO WE ACHIEVE IT?

1

Creating a Private Sector-led Economy

To unleash the growth potential of the private sector, the government will:

- Modernise Business Regulation
- Liberalise the Services Sector
- Removing Market Distortions by Rationalising Subsidies
- Introduce Competition Legislation
- Improve the Interface between Government and Business

2

Supporting Innovation-led Growth

To increase productivity and raise the competitiveness of the economy, the government will:

- Shape a Supportive Ecosystem for Innovation
- Create Innovation Opportunities through the Public Procurement Process and Enhanced Regulations
- Fund Innovation to Support R&D and Commercialisation across the Value Chain

4

Developing SMEs as an Engine of Growth and Innovation

To unlock the growth and innovation potential of SMEs, the government will:

- Reduce Regulatory Costs Borne by SMEs
- Build Capacity and Capability through Training
- Support the Creation of an Entrepreneurial Culture
- Strengthen Support System for SMEs
- Enhance Access to Financing for SMEs

Rationalising the Role of the Government in Business

To increase private sector participation in the economy, the government should:

- Increase Privatisation and Public-Private Partnerships (PPP)
- Establish a Facilitation Fund to Support Projects with High Strategic Value to the Nation
- Achieve the Appropriate Balance between Government, GLCs and the Private Sector

3

Competing Globally

To improve our competitiveness in the global market, the government will focus on:

- Competing in Global Markets
- Competing to Attract Foreign Investment and Talent to Malaysia

5



6

Establishing World-Class Infrastructure to Support Growth and Enhance Productivity

To upgrade the quality of the nation's infrastructure, the government will:

- Increase Broadband Penetration of Households to 75% by 2015.
- Continue to Upgrade Physical Infrastructure to Enhance Access and Connectivity
- Ensure Effective Sourcing and Delivery of Energy

Focusing on Key Growth Engines

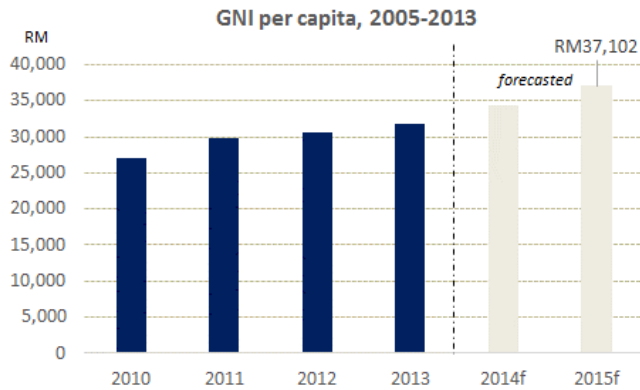
11 sectors and 1 geographical area make up the National Key Economic Areas (NKEAs) to drive economic growth:



7



Key Achievement Report

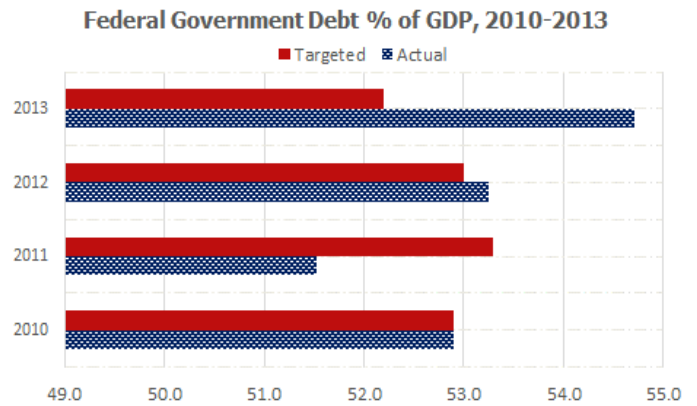


GNI per capita falls short of target

According to the Department of Statistics Malaysia, GNI per capita stood at RM 31,809 in 2013. Assuming growth of 8.0% per annum, GNI per capita is estimated to be RM 37,102 in 2015, falling slightly short of the RM 38,845 target set in the 10th Malaysia Plan.

More fiscal consolidation needed

The Federal Government's debt position was higher at 54.8% of GDP in 2013 (2010: 52.9%). More fiscal consolidation is needed to bring debt down to 49.9% by 2015 as set in the Plan. The Budget deficit fell to 3.9% of GDP in 2013, but this falling trend was still slow in achieving the 2.8% target.



Income for bottom 40%: Glass half empty or half full?

RM 1,847

(Average household income for bottom 40%)

RM 5,000

(Average household income)

Malaysia's overall poverty rate halved to 1.7% in 2012 (2009: 3.8%), therefore achieving the 2015 target of 2% the plan aim to reach. Monthly average income for the bottom 40% of households increased slowly to RM 1,847 in 2012 (2009: RM 1,440) against the target of RM 2,300 in 2015. Wealth distribution, measured by Gini coefficient, improved to 0.431 in 2012 (2009: 0.441) against the target of 0.420 in 2015.

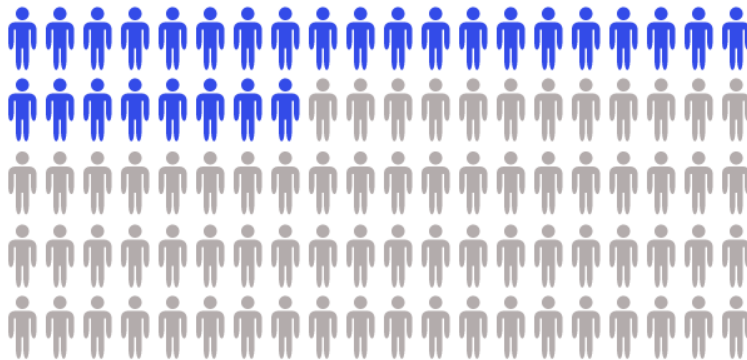
High broadband penetration

In Q1 2014, Malaysia's broadband penetration rate reached 67.3% (2009: 32%), and is expected to rise to 75% by 2015 as set in the Plan.



Households Connected

Upgrading the skills of the existing workforce



Skilled Labour

Skilled labour accounted for 28% (3.4 million out of 13.7 million) of the workforce in 2013. It is on track to achieve the 33% target by 2015 as outlined in the Plan.

Skilled labour is categorised as those who earn a diploma and above, hold a management position or are a professional or technician.

Increase in ridership of public transport

In Greater KL, the public transport modal share increased to 20.8% in 2013 (2009: 12%). The target set in the Plan is 30% by 2015. Overall travel demand rose as the total number of trips made by public transport had increased. Public transport ridership by rail rose 41% from 2012 to 2013 during the morning rush peak period

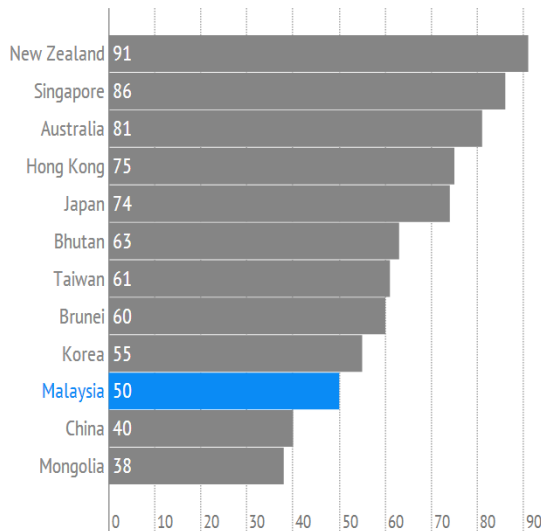
Public Transport Ridership by Rail

+41%



From 2012 to 2013
(During Morning Peak Period)

Marginal improvement in corruption rank



Corruption Perception Index 2013

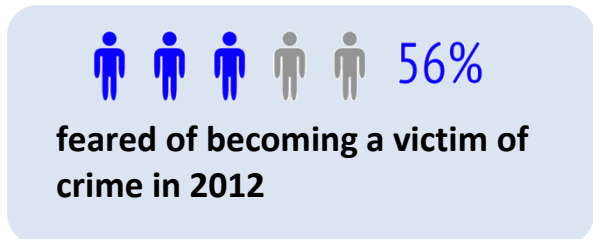
RANKED
53RD

Out of 177 Countries

Malaysia's rank improved by one notch from 54rd to 53th in Transparency International's Corruption Perceptions Index. In 2013, Malaysia was only halfway to its target of scoring 60% in Transparency International's Global Corruption Barometer (GCB) score.

More than just crime data

Overall reported Index Crime has been declining since 2010, with the latest being a 4.3% fall in 2013 against the target of 5%. Crime rates decreased by 2.1% from 7.7 cases per 1,000 population in 2000 to 6.0 cases in 2012. But, public perception of safety worsened with 56% of people reporting to have a fear of becoming a victim of crime in 2012 (2011: 52.5%)



Falling short in pre-school enrolment

Pre-school enrolment levels were rose to 81.7% in 2013 (2009: 67%), but fell short of the 87% target by 2012 as outlined in the Plan. Enrolment was expected to hit 92% by 2015.



Children aged **4+ & 5+** have access to pre-school

TIMELINE: Major Policy Instruments during the 10th Malaysia Plan Period

