

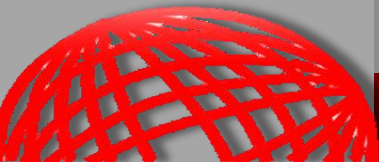


Live Webinar

Perspective on Medium Term Policy Formulation and Planning : Twelfth Malaysia Plan

7th September 2021

**Economic
Planning Unit
Prime Minister's
Department**



Presentation Outline

1

Introduction

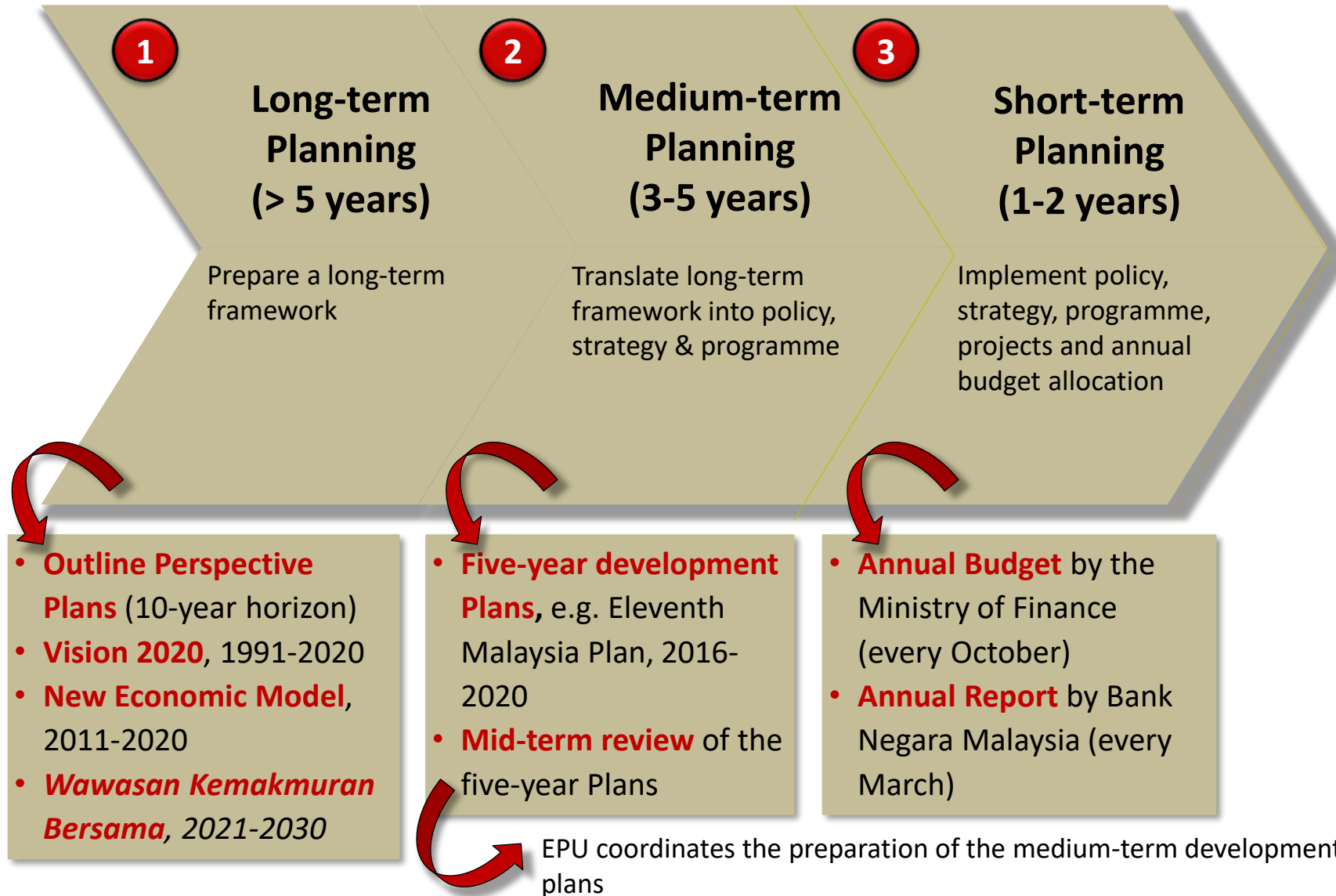
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Approaches of the Twelfth Plan

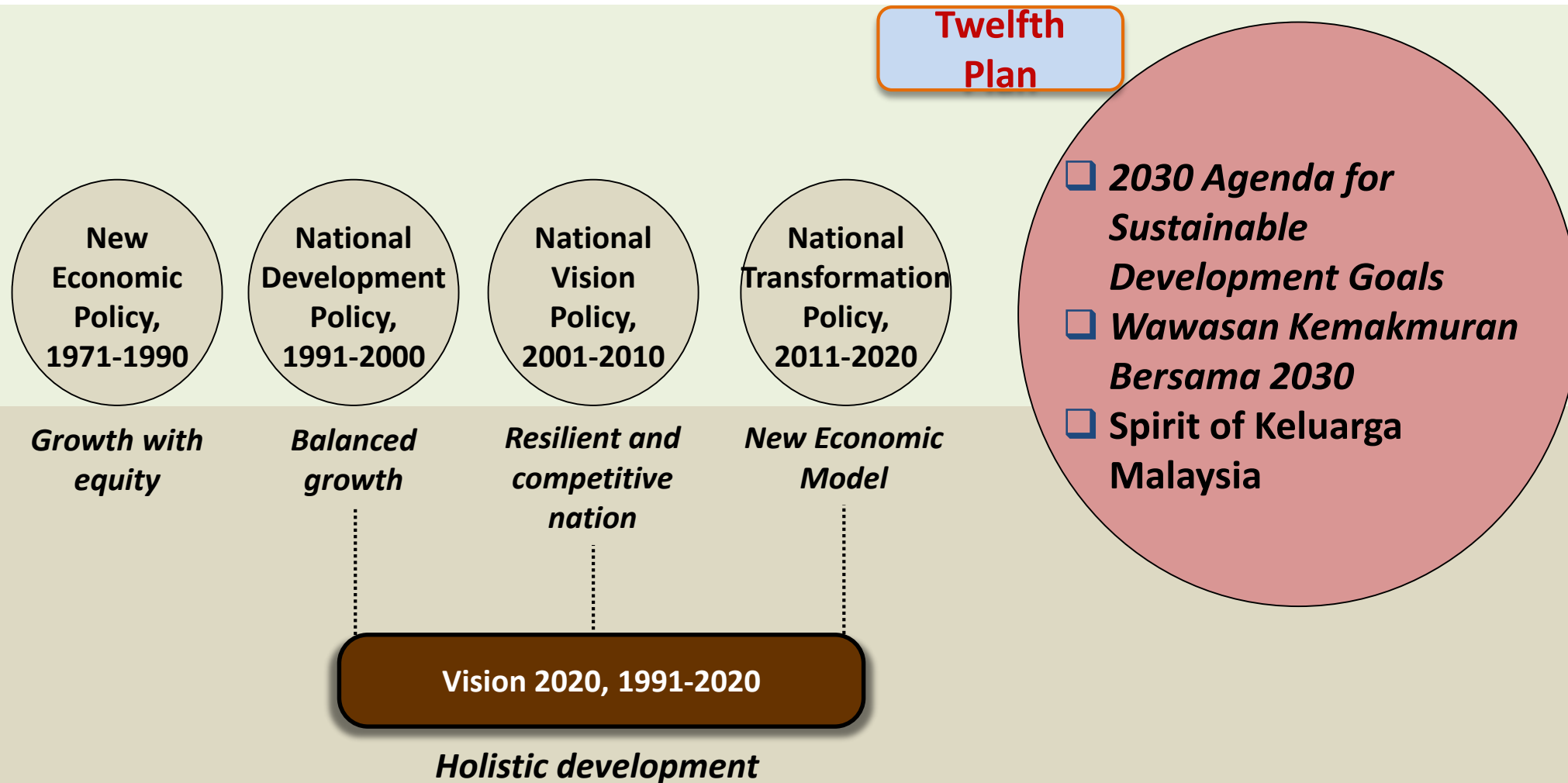


Introduction

Adopt a three-tier planning horizon



The Foundation of the Twelfth Malaysia Plan ✓



The Whole of Nation Approach with Extensive Engagements with Stakeholders

Ministries and Agencies

- Kick-off Conference (1-4 Jul 2019)
 - Involving 400 senior officials & international organisations
- Over 400 meetings involving:
 - 13 Inter-Agency Planning Groups
 - 193 Focus Groups
 - KSN and KSU/KP



State Governments

- Session with YAB Menteri Besar/Chief Minister and UPEN
- Engagement session with all states started in July 2019 involving 14 states and 3 FTs

Session with Ministers and Members of Parliament

Experts of Local and International Agencies

- Think tank session with economists, academicians & civil society organisations (CSOs)
- Peer review from the World Bank and United Nations agencies in Malaysia

Public Involvement

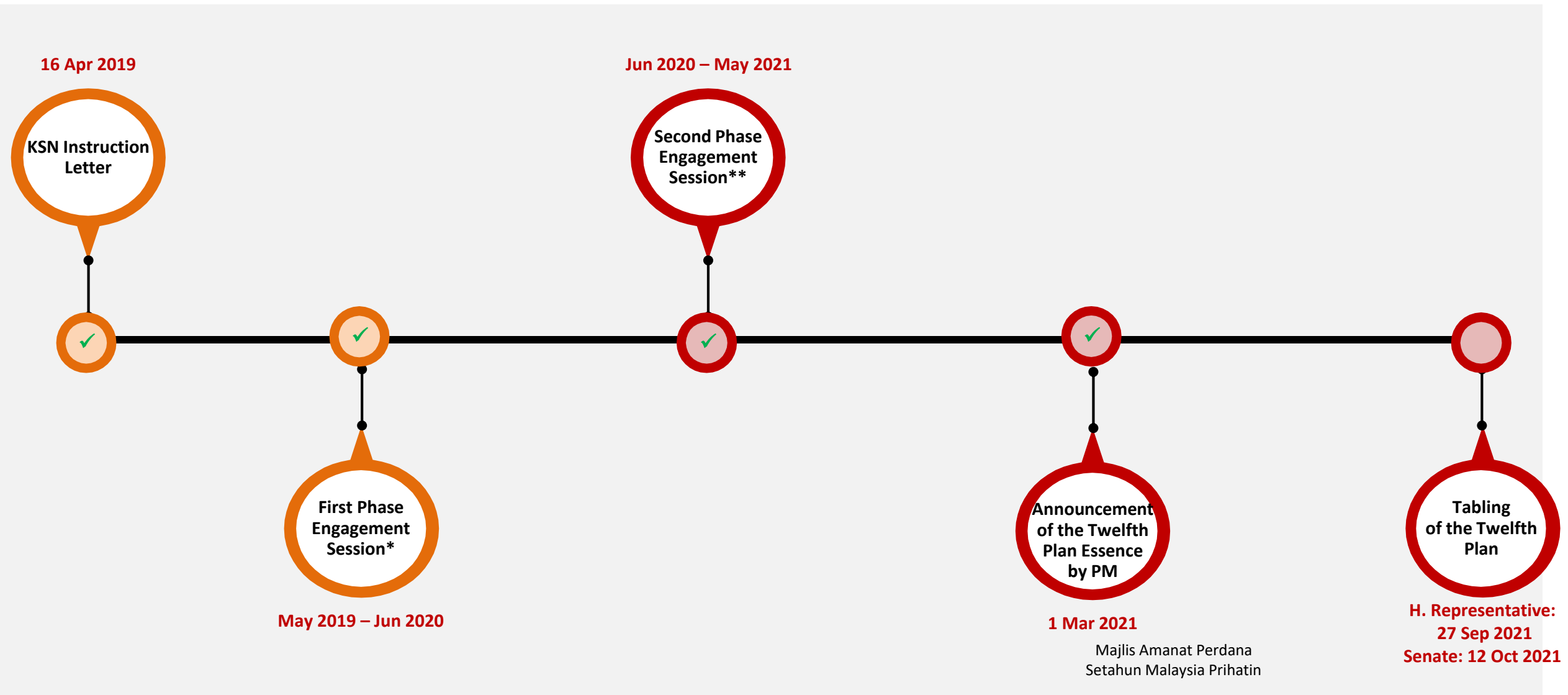
- Online engagement session (18 Nov-2 Dec 2020)

Industry Leaders

- Aerospace
- Digital
- Smart Farming
- SME
- E&E



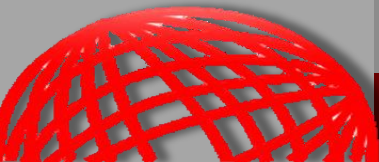
Preparation of the Twelfth Malaysia Plan





Approaches of the Twelfth Plan

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Broad Perspective of the Twelfth Plan






- The Twelfth Plan is the first phase of the *Wawasan Kemakmuran Bersama 2030* (WKB 2030)
- The Twelfth Plan also aligned with the 2030 Agenda for Sustainable Development (SDGs) covering three dimensions, namely economic, social and environment
- The Twelfth Plan is the last part of the National Recovery Plan under the 6 R :
 - *Reform*



The Twelfth Plan will take into account:

- **Current issues and challenges that need to be focused and addressed through new approaches:**
 - The COVID-19 pandemic revealed several weaknesses in the structure of the Malaysian economy - digital divide in the education sector, readiness of SMEs in adopting digitalisation, lack of social protection in the informal sector
 - Transformation in economic sector - low value-added economy, low technology content
- **The goal** to achieve a prosperous, inclusive and sustainable nation based on the spirit of *Keluarga Malaysia*

Key Issues and Challenges

 Economic Growth	<ul style="list-style-type: none">• Trade and geopolitical tensions• Low productivity growth and less competitive MSMEs
 Technology Adaption, Digitalisation, R&D&C&I	<ul style="list-style-type: none">• Readiness of 4IR technology adoption is low• Digital divide• Lack of R&D&C&I
 Social	<ul style="list-style-type: none">• Poverty across races and minority groups• Gaps in the health care system• Imbalanced regional development, including in Sabah and Sarawak
 Environment	<ul style="list-style-type: none">• Unsustainable production, consumption and lifestyle
 Governance	<ul style="list-style-type: none">• Lack of coordination among stakeholders

Eleventh Plan

People-Centric Growth

Re-engineering economic growth and **strengthening infrastructure** to support growth

Improving the living standards of **B40 households** and the **wellbeing of the rakyat**

Moving towards **green growth**

Accelerating **human capital development** for an advanced nation

Improving the **coverage, quality of infrastructure and subsectors** of digital economy

Introducing **creative and innovative approaches** for effective delivery

Approaches

GOAL

ECONOMY

SOCIAL

ENVIRONMENTAL

HUMAN CAPITAL

TECHNOLOGY

GOVERNANCE

Twelfth Plan

Prosperous, Inclusive and Sustainable Nation

Restore economic growth

Develop an **inclusive society** and **balanced development based on Keluarga Malaysia**

Accelerate **green** agenda

Develop **future talent**

Adoption of **digital and advanced technology**

Enhance the **efficiency of the Civil Service**

Focus Areas for the Twelfth Plan

Role of Private Sector

1

6

Poverty Eradication

Technology Adoption

2

7

Bumiputera Participation

Food Security

3

8

Accelerate Development of Sabah & Sarawak and
Less Developed States

Green Economy

4

9

TVET

Improve Healthcare Services

5

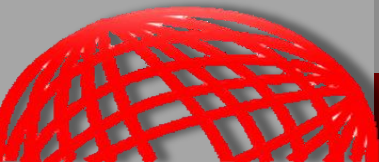
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Quality Education



Thank you

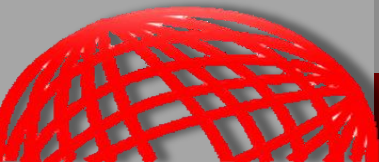
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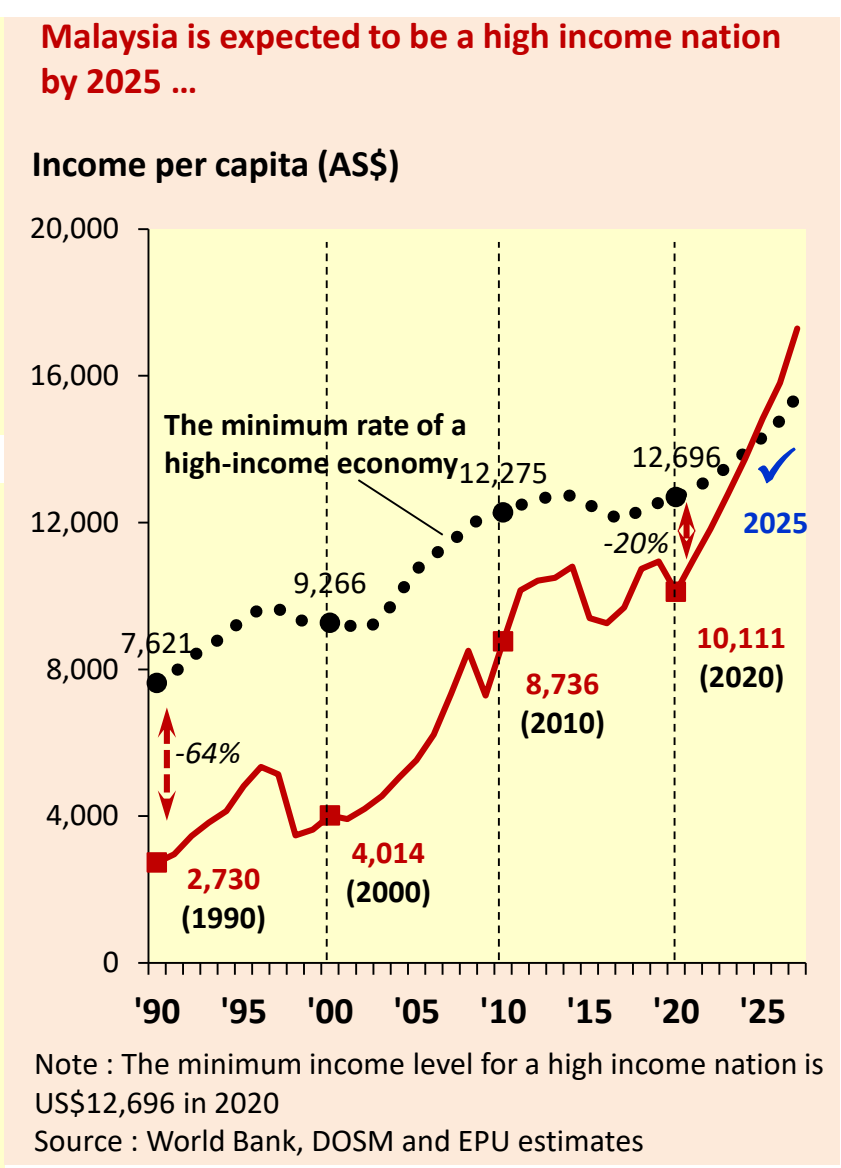
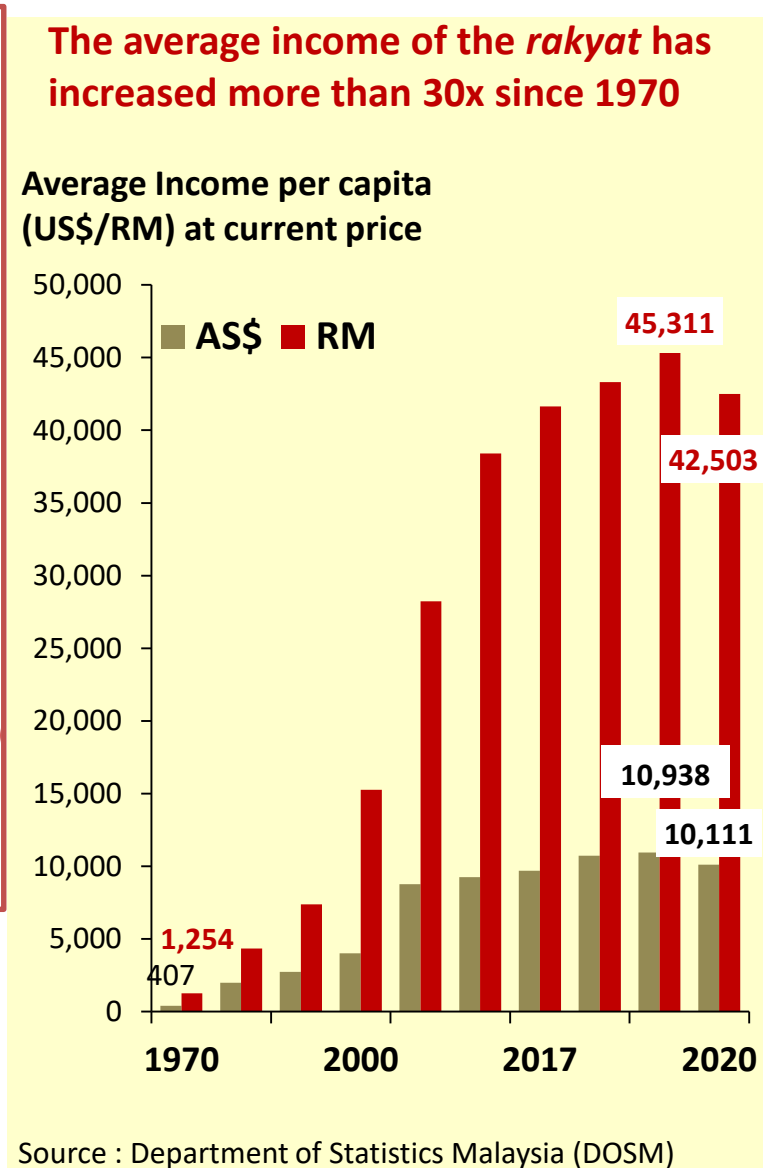
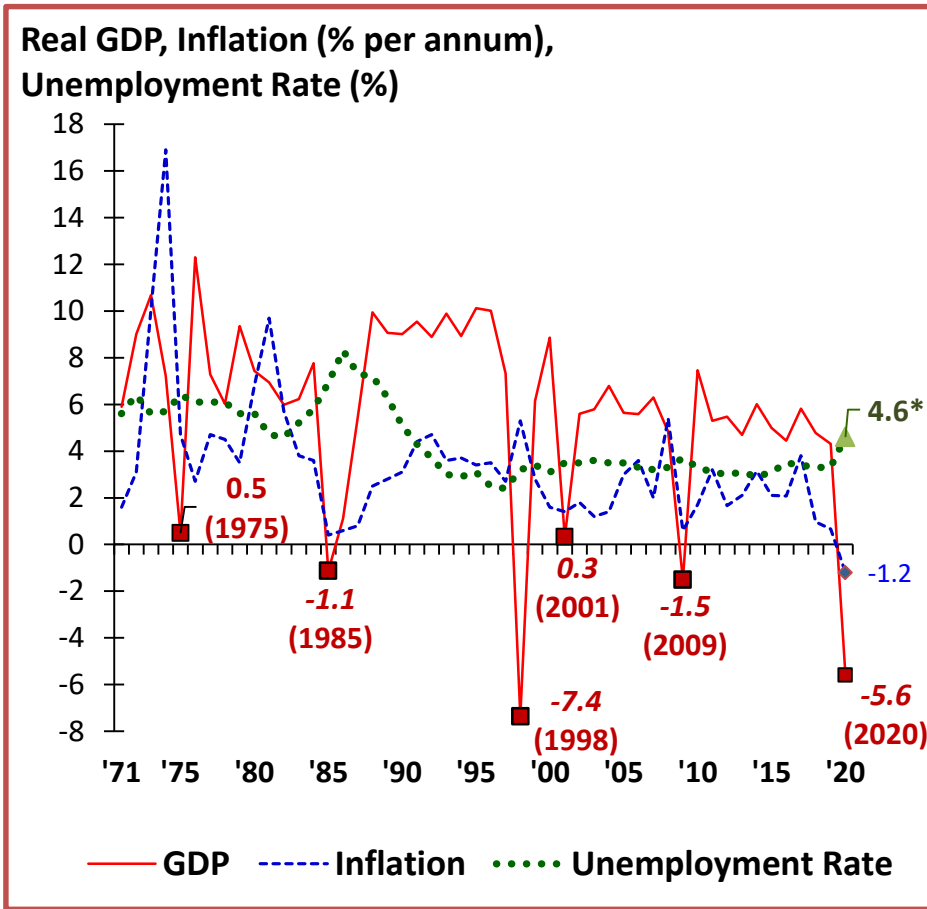


Economic Performance

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Malaysia recorded rapid and stable economic growth since 1970s but it has been contracted in 2020 as a result of the COVID-19 pandemic ...



✓ **Malaysia, 1971-2020**

- Malaysia recorded 5.8% in spite of facing 6 economic downturns since 1970

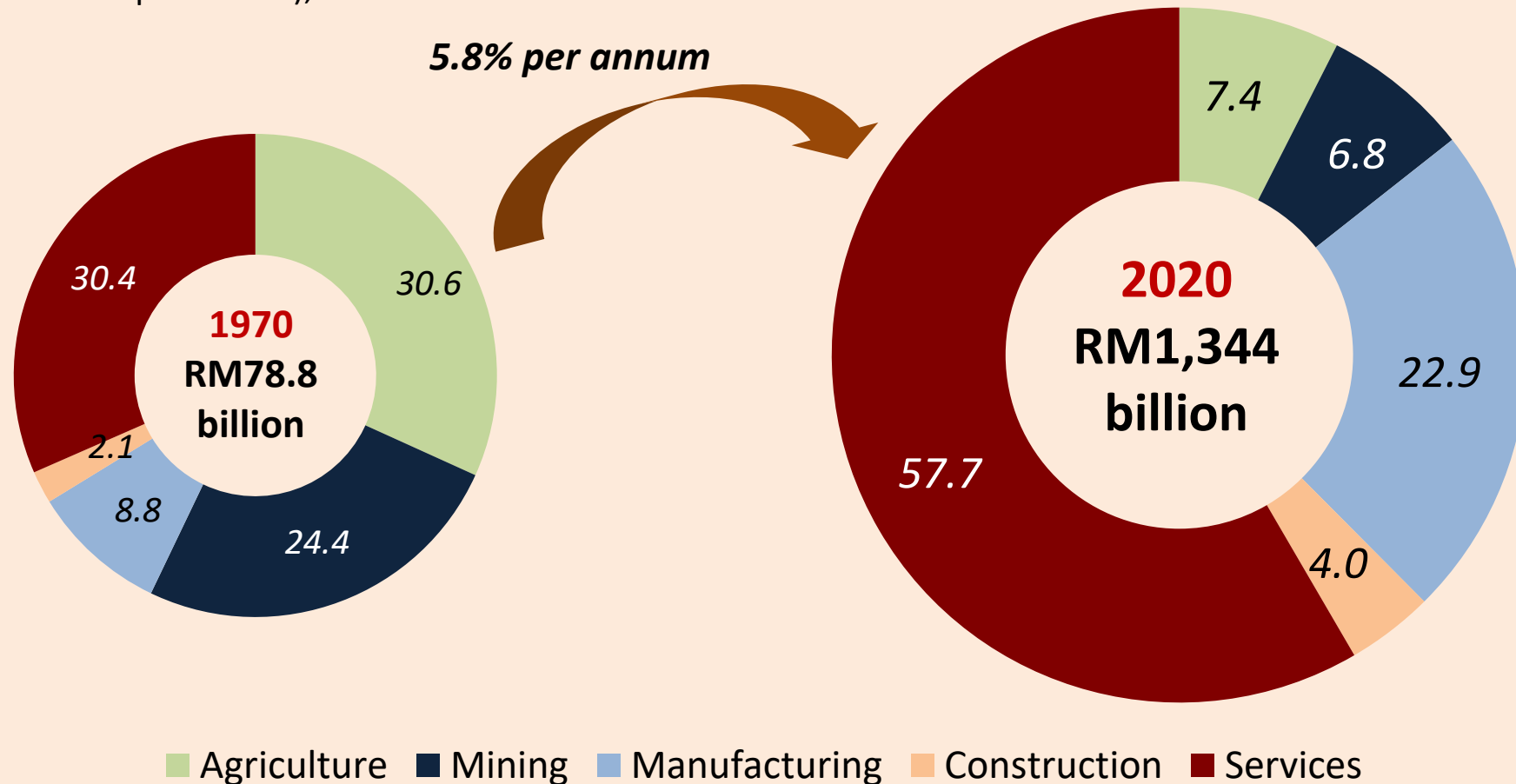
KDNK, 1971-2020 (% p.a.)

- World: 3.0
- Developed countries: 2.4
- Developing countries: 3.0
- Emerging markets: 4.6

Source: IHS

Malaysian economy structure is shifting from agriculture and mining to the manufacturing and services sectors

GDP Structure* (at constant price 2015),
% share to GDP



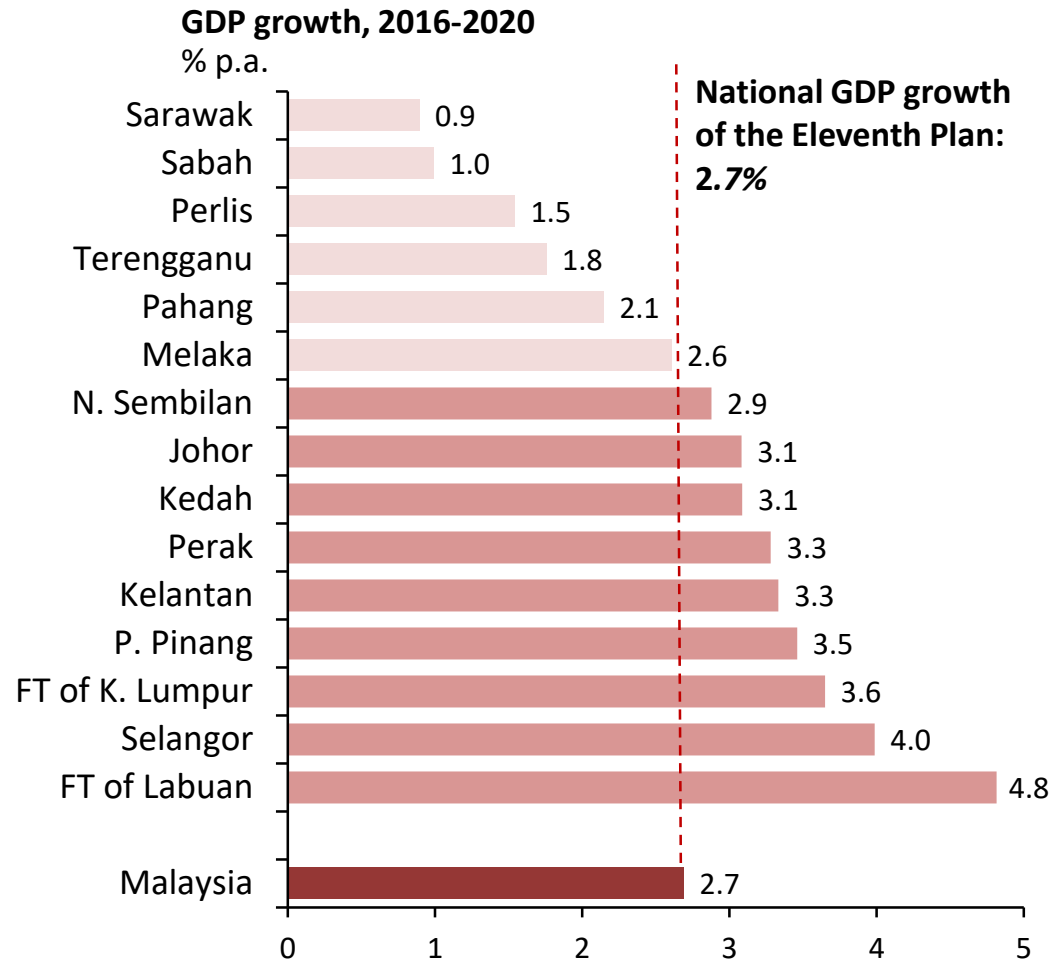
*Excluding import duty

Source: Department of Statistics Malaysia

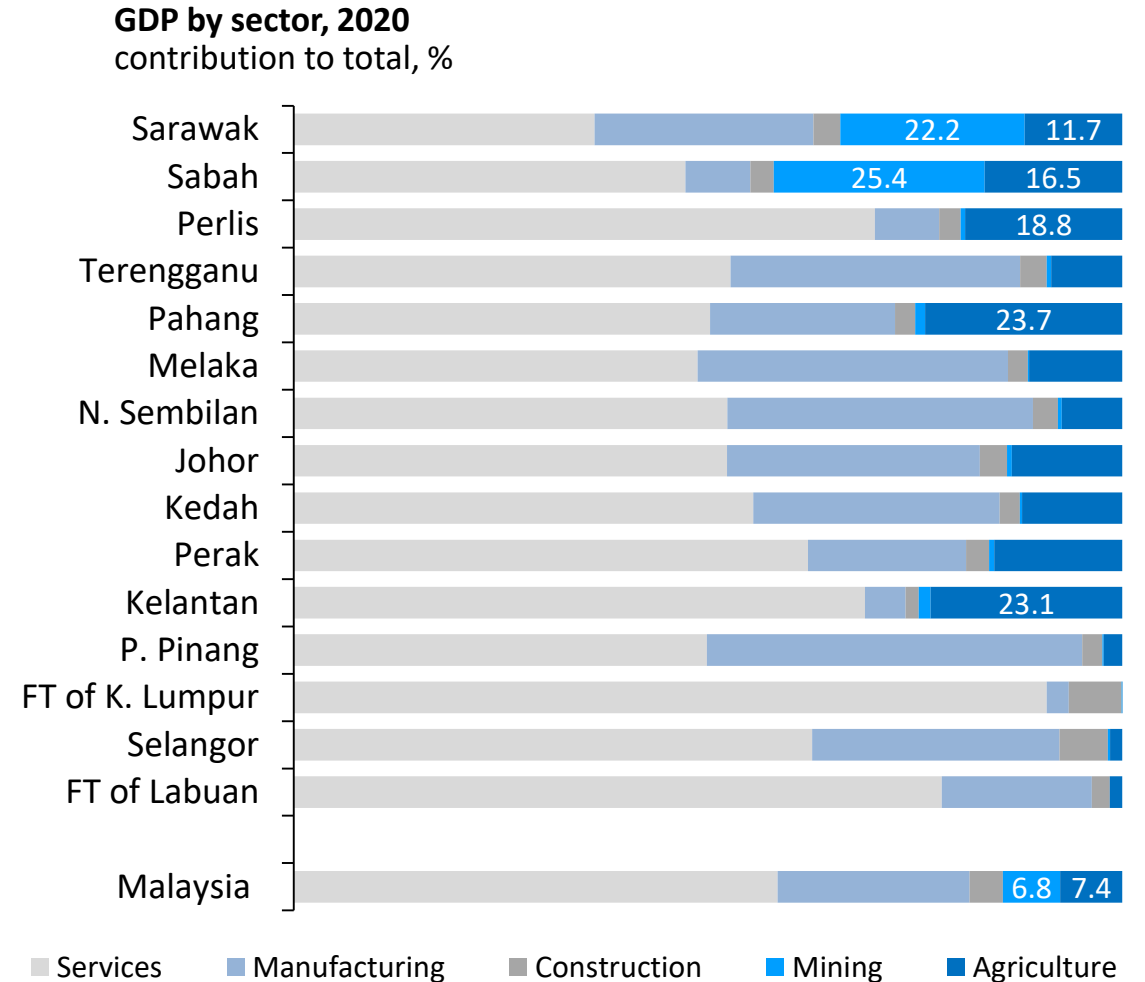


Growth has been uneven across the states ...

Nine states surpassed national average of 2.7 % per annum in 2016-2020 ...



... states which experienced growth below national average were more dependent on commodities



Note: Based on GDP at constant 2015 prices

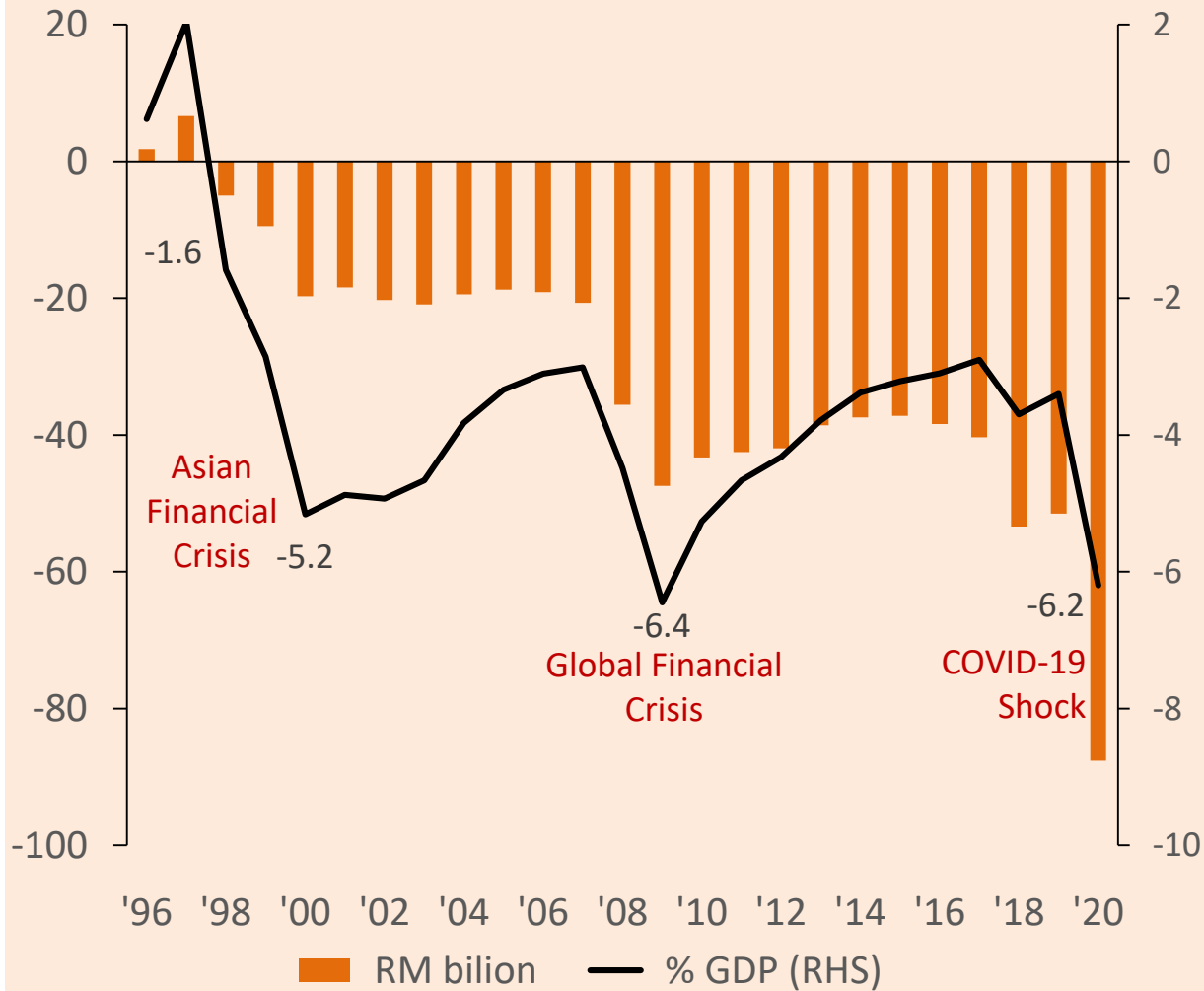
Source: Department of Statistics Malaysia and Economic Planning Unit



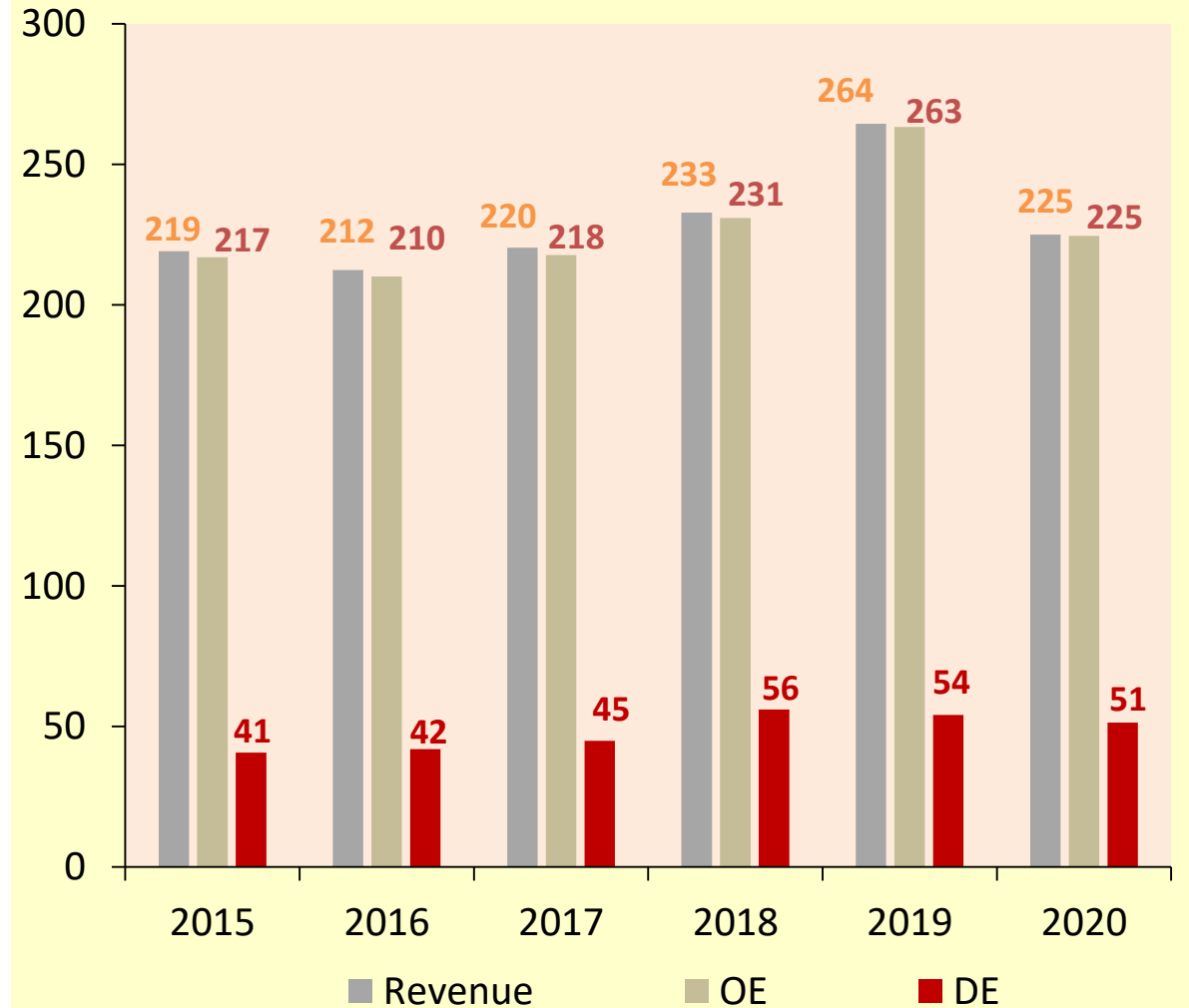
Fiscal policy supports economic growth...

Overall Balance (RM billion)

% GDP

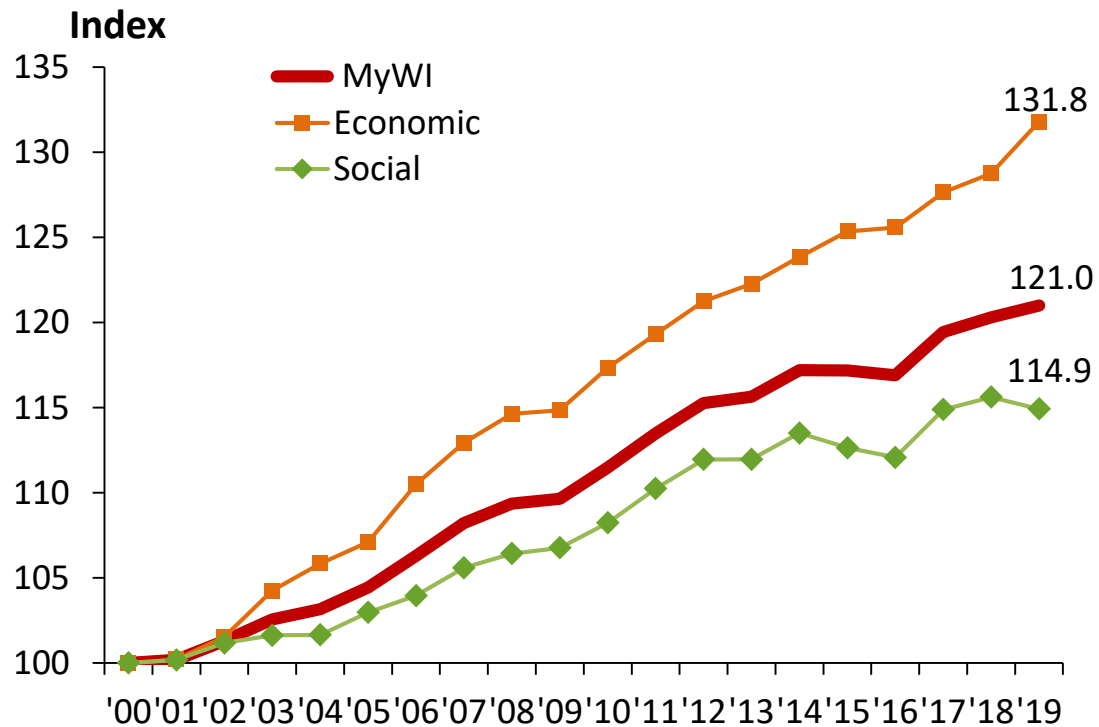


Revenue and Expenditure (RM billion)



The wellbeing of the *rakyat* has increased in line with the development of the country ...

... economic wellbeing increased faster than social wellbeing ...



- MyWI measures the impact of socioeconomic development on the wellbeing of Malaysian
- 14 components dengan 68 indicators
 - Economic (5 components)
 - Social (9 components)

... there are several components to be given more attention

Components	2000	2019	% p.a
MyWI	100	121.0	1.0
Economic Wellbeing	100	131.8	1.5
• Transport	100	139.6	1.8
• Education	100	133.2	1.5
• Communications	100	130.9	1.4
• Income & Distribution	100	130.7	1.4
• Working Life	100	124.6	1.2
Social Wellbeing	100	114.9	0.7
• Entertainment & Recreation	100	132.5	1.5
• Public Safety	100	132.3	1.5
• Governance	100	122.7	1.1
• Social Participation	100	121.2	1.0
• Housing	100	120.3	1.0
• Health	100	106.6	0.3
• Environment	100	104.5	0.2
• Family	100	97.4	-0.1
• Culture	100	96.7	-0.2

