



**社会经济研究中心**  
**SOCIO-ECONOMIC**  
**RESEARCH CENTRE**

**The Twelfth Malaysia Plan 2021-2025 (12MP)**

**A Prosperous, Inclusive, Sustainable Malaysia**

27 September 2021

# Key agenda



# The 12MP – A Prosperous, Inclusive, Sustainable Malaysia

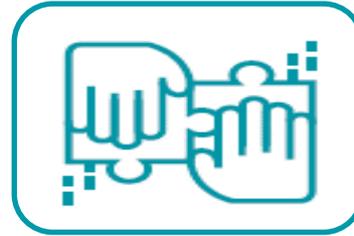
- On 27 September 2021, the much anticipated **Twelfth Malaysia Plan (12MP) 2021-2025** was tabled in the August House, carrying the theme “**A Prosperous, Inclusive, Sustainable Malaysia**”. The 12MP is the first five-year plan that move towards the long-term economic planning – Shared Prosperity Vision (SPV) 2030.
- In tandem with the SPV’s objectives, the plan seeks to achieve balanced development and a people-centric economy, encompassing key macroeconomic targets and socio-economic goals - balance economic growth, equitable income distribution and wellbeing of the rakyat.
- The 12MP was formulated before and during the pandemic, and serves as part of the final phase under the 6R approach (Resolve, Resilient, Restart, Recovery, Revitalise and Reform) implemented to mitigate the impact of the COVID-19 pandemic.
- Anchored on **THREE KEY THEMES, FOUR CATALYTIC POLICY ENABLERS**, as well as **14 GAME CHANGERS**, the 12MP is expected to rejuvenate and reposition Malaysia in the global economy, particularly for the post pandemic’s economic recovery.

# 12MP – Anchored on Three Key Themes and Four Policy Enablers

## Three Key Themes



Resetting the Economy



Strengthening Security,  
Wellbeing and Inclusivity



Advancing Sustainability

## Four Policy Enablers



Developing  
Future Talent



Enhancing Efficiency of  
Transport and Logistics  
Infrastructure



Boosting Digitalisation  
and  
Advanced Technology

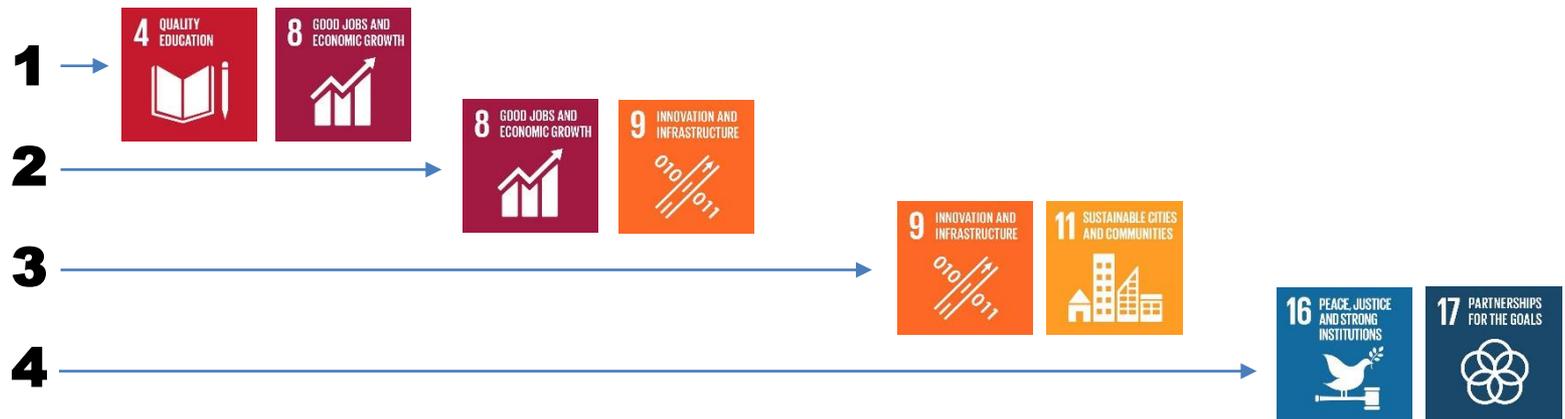


Strengthening  
Public Sector  
Service Delivery

# New mapping of Sustainable Development Goals (SDGs)



## Policy Enabler



# 12MP – The 14 Game Changers

The 14 game changers represent the **new and innovative ideas to shift mindsets and fundamentally change the approach of national development.**

<b>1</b> Imperatives for Reform and Transformation	<b>8</b> Embracing the Circular Economy
<b>2</b> Catalysing Strategic and High Impact Industries to Boost Economic Growth	<b>9</b> Accelerating Adoption of Integrated Water Resources Management
<b>3</b> Transforming Micro, Small and Medium Enterprises (MSMEs) as the New Driver of Growth	<b>10</b> Improving TVET Ecosystem to Produce Future-Ready Talent
<b>4</b> Enhancing National Security and Unity for Nation-Building	<b>11</b> Enhancing Digital Connectivity for Inclusive Development
<b>5</b> Revitalising the Healthcare System in Ensuring a Healthy and Productive Nation	<b>12</b> Aligning Research and Development towards Commercialisation, Wealth Generation and Economic Growth
<b>6</b> Transforming the Approach in Eradicating Hardcore Poverty	<b>13</b> Transforming the Logistics Ecosystem for Greater Efficiency
<b>7</b> Multiplying Growth of Less Developed States, especially Sabah and Sarawak to Reduce Development Gap	<b>14</b> Transforming the Public Service through the Whole-of-Government Approach

# Macroeconomic strategies & multidimensional goals 2021-2025

## Multidimensional Goals



**4.5% to 5.5%** GDP growth per annum



**3.6%** labour productivity growth per annum



**RM10,065** average monthly household income by 2025



**45%** reduction in GHG emissions intensity to GDP by 2030\*



**RM57,882** GNI per capita by 2025



**40%** compensation of employees of GDP by 2025



**1:2.5 GDP per capita gap** between Central and Sabah regions by 2025



**1.2%** Malaysian Wellbeing Index growth per annum

## Macroeconomic Strategies



Enhancing Productivity



Accelerating Structural Economic Transition



Increasing Share of Compensation of Employees



Strengthening Fiscal Governance



Promoting Quality Investment



Reducing Regional Development Disparity



Leveraging Participation in the Global Value Chain



Advancing Green Growth

\* Based on emissions intensity in 2005.

# 12MP: Key macroeconomic targets

## Consumption and Investment

 =Target

*Average Growth of  
Real Private Investment  
(2021-2025)*

3.8%

*Average Private Investments  
in Current Prices (per year)*

RM258 billion

*Average Growth of  
Real Private Consumption  
(2021-2025)*

5.8%

*Average Growth of  
Real Public Investment  
(2021-2025)*

2.6%

*Average Public Investments  
in Current Prices (per year)*

RM80 billion

*Average Growth of  
Real Public Consumption  
(2021-2025)*

3.7%

## International Trade

*Average Growth of  
Gross Export (2021-2025)*

5.0%

*Trade Balance  
(2025)*

RM191 billion

*Current Account the  
Balance of Payment (2025)*

RM44 billion

2.2% of GNI

## Unemployment

*Unemployment Rate  
(2025)*

4.0%

## Inflation

*Average Annual Inflation Rate  
(2021-2025)*

2.7%

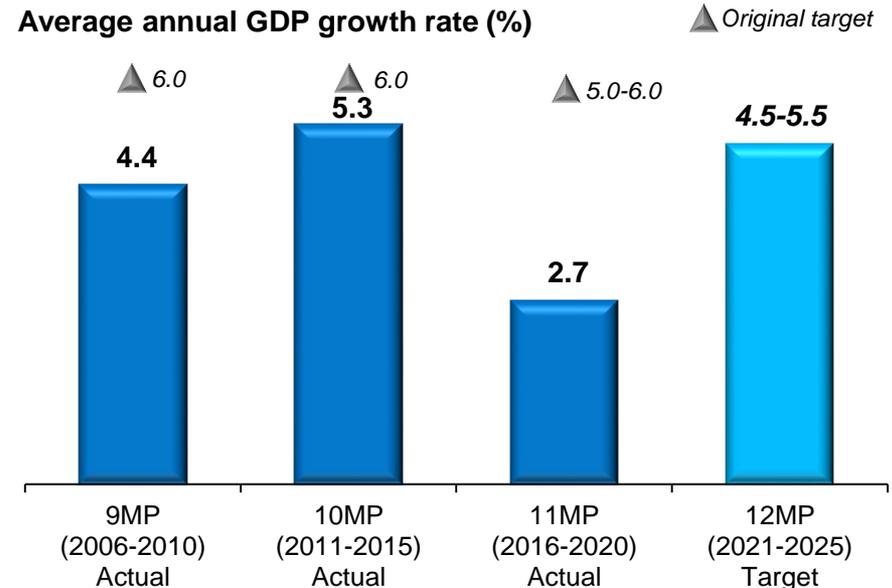
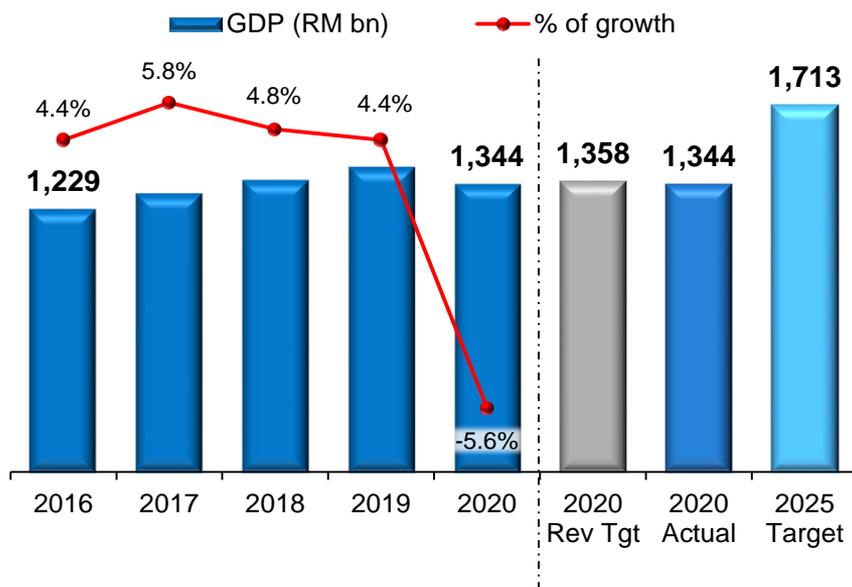
## Fiscal Balance

*% of Fiscal Balance to GDP  
(2025)*

-3.5% to -3.0%

# 12MP targets GDP growth 4.5%-5.5% pa in 2021-2025

- Real GDP growth is targeted to grow between 4.5% and 5.5% pa in 2021-2025, as against 2.7% pa in 2016-2020 (11MP).
- Higher labour productivity growth and strong domestic demand amid a higher contribution from the external sector will underpin the projected economic growth. Private sector activity will rebound and remains the anchor of growth supported by accommodative monetary and fiscal policies.

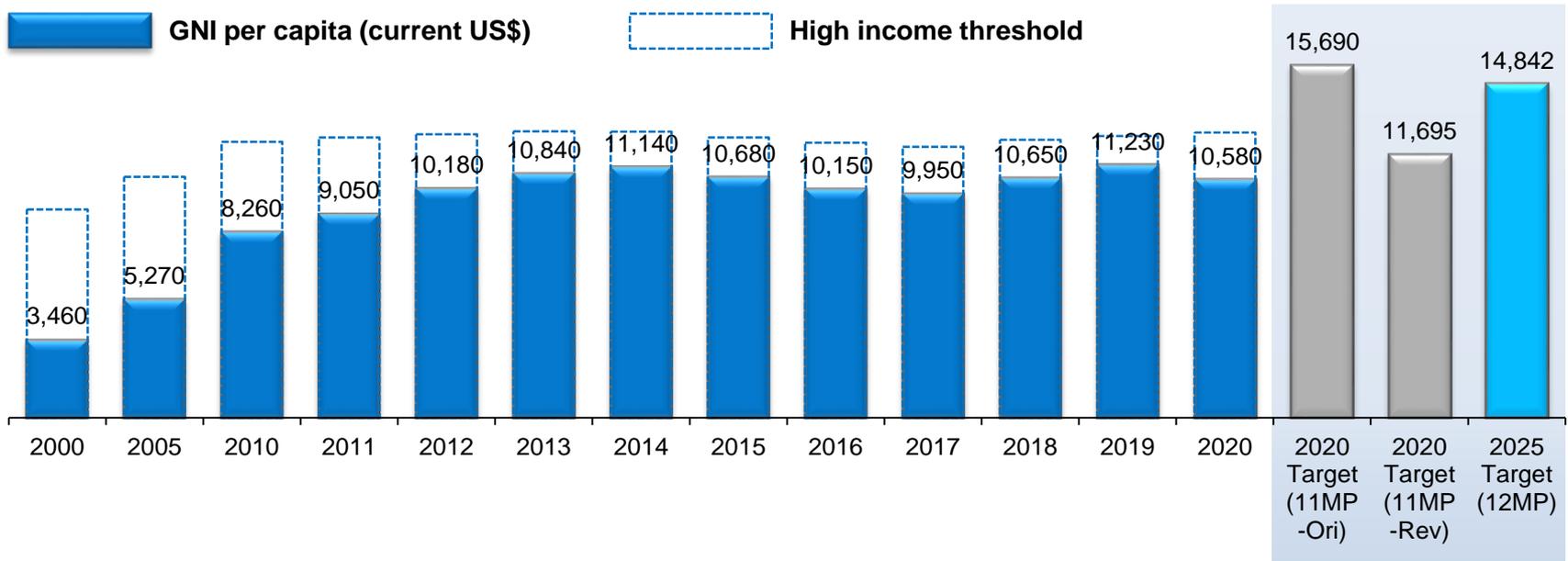


Source: DOSM; EPU

Base year = 2010 for 9MP and 10MP  
Base year = 2015 for 11MP and 12MP

# Can Malaysia escape the middle income trap by 2025?

- **Malaysia remains stuck at the upper middle income level since 1992.** GNI per capita of US\$10,111 was 20.4% below minimum high-income threshold of US\$12,696.
- The 12MP aims to make **Malaysia a high income and high-tech nation by 2025**, with the **targeted per capita income reaching RM57,882 or US\$14,842 in 2025.**



Note: GNI per capita (time series) as per World Bank Atlas method.

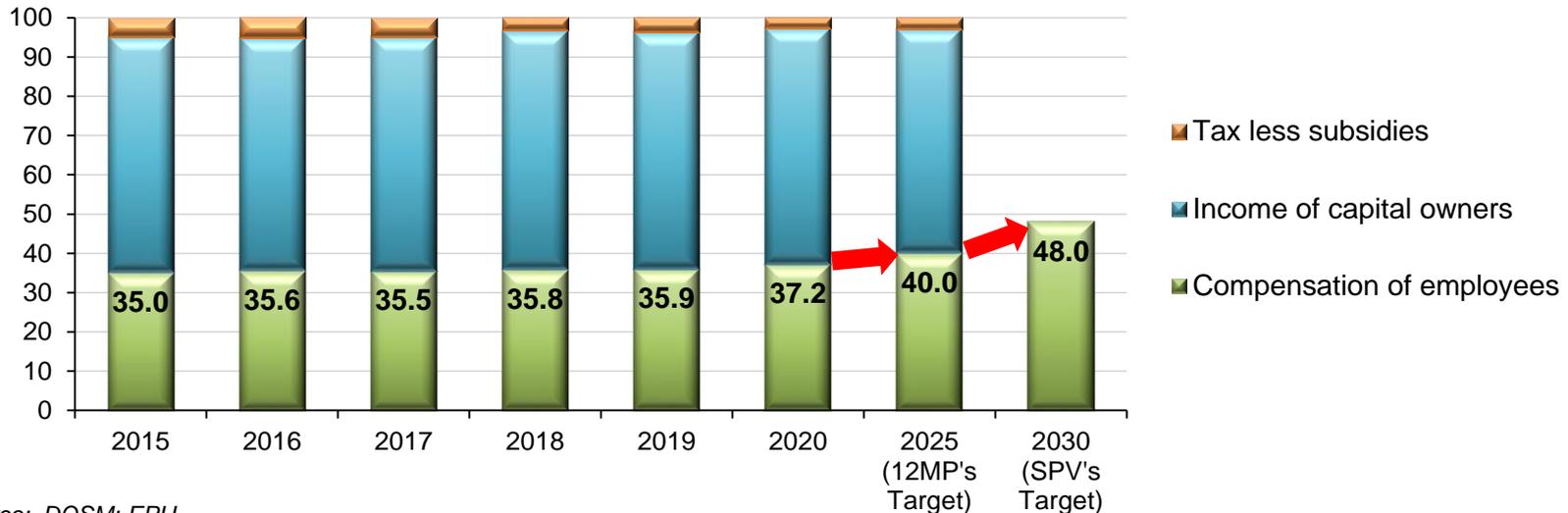
Source: World Bank

# Addressing inequality in compensation of employees

- The **share of compensation of employees (CE)** (2020: 37.2% of GDP) did not meet the revised target of 38% in the Mid-Term Review (MRT) of 11MP (original target in 11MP was 40%). It is lower compared to many developed countries: Singapore (40.2%); South Korea (46.8%); Australia (46.9%); the United States (53.7%); the United Kingdom (55.5%); and Germany (59.4%) in 2019.
- In tandem with Shared Prosperity Vision (SPV) 2030, 12MP continues to aim for reducing income disparity between capital owners and employees. There are eight initiatives in 12MP to **promote the equitable CE to 40% of the GDP by the end of 2025**, moving towards the SPV's target of 48% by 2030.

## GDP by income approach

% share to GDP



Source: DOSM; EPU

# Prospects of key economic activities

- All economic sectors will expand in 2021-2025, with the services and manufacturing sectors continuing to be the main drivers of the economy.
- The implementation of the National Fourth Industrial Revolution (4IR) Policy will be pivotal to boost growth across all sectors.

	Agriculture (7.4%)	Mining and Quarrying (6.8%)	Manufacturing (22.9%)	Construction (4.0%)	Services (57.7%)
<b>11MP Actual</b>	0.4%	-2.2%	3.3%	-0.7%	3.8%
<b>12MP Target</b>	3.8%	2.6%	5.7%	4.2%	5.2%

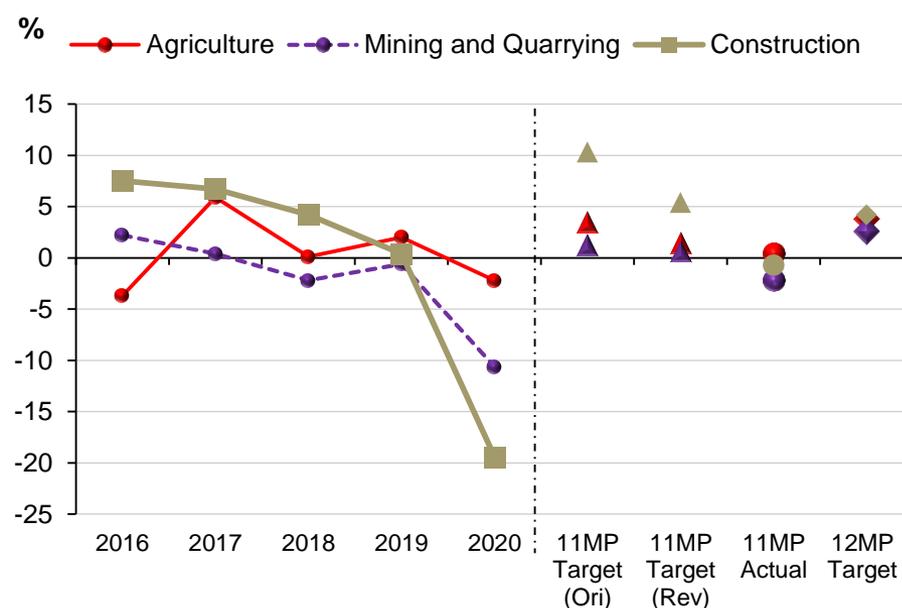
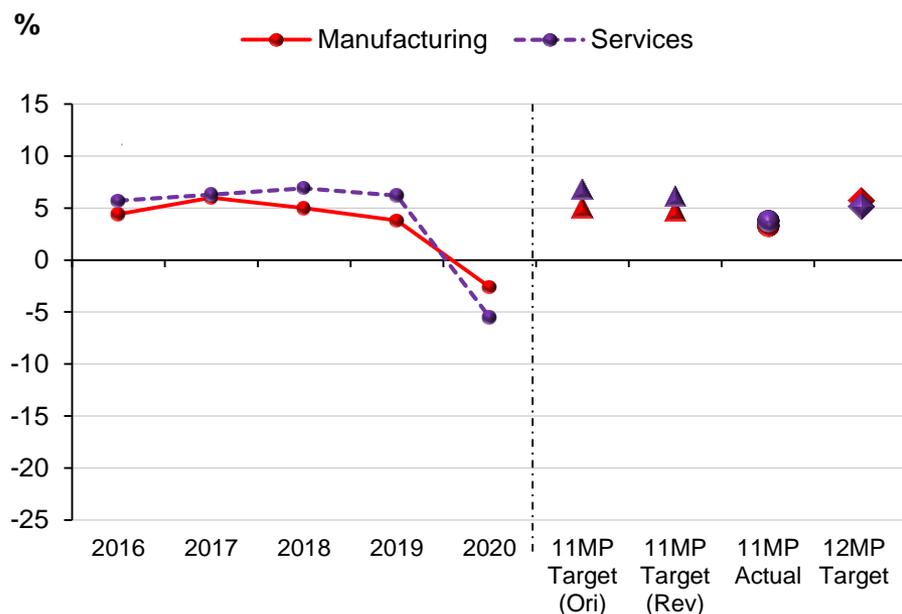


Figure in parenthesis denotes % share of GDP in 2020.

Source: DOSM; EPU

# Where is the growth coming from?



## **Services** (2021-2025F: Average 5.2% pa)

*% share of GDP in 2025F: 58.3%*

- The wholesale and retail trade subsector will continue to be the main contributor, supported by strategies to modernise the subsector as well as enhance the efficiency and effectiveness of the supply chain.
- Emphasis will also be placed on accelerating the development of high potential growth industries, including the halal, creative and tourism.



## **Manufacturing** (2021-2025F: Average 5.7% pa)

*% share of GDP in 2025F: 23.7%*

- Continue to focus on high value-added, diverse and complex products.
- Among the key industries that will drive growth are E&E, chemicals and chemical products, aerospace, shipbuilding, pharmaceutical and medical devices.

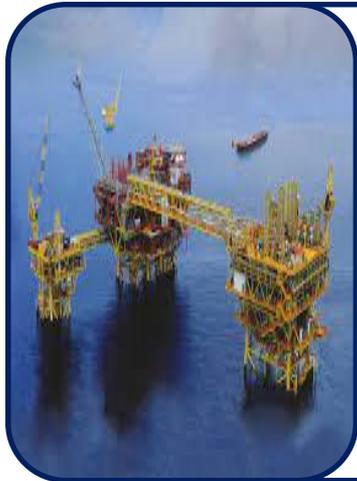


## **Agriculture** (2021-2025F: Average 3.8% pa)

*% share of GDP in 2025F: 7.0%*

- Expediting the transformation of the agriculture sector into a modern, dynamic and competitive sector, supported by greater R&D&C&I.
- The strategies under the National Food Security Framework and the National Agrofood Policy 2021-2030 will be implemented to meet food self-sufficiency targets and comply with international food safety standards.

# Where is the growth coming from? (cont.)



## **Mining and quarrying (2021-2025F: Average 2.6% pa)**

*% share of GDP in 2025F: 6.1%*

- The mining sector is mainly driven by the increase in natural gas production.
- LNG production is expected to increase to 32 million tonnes per annum, supported by PETRONAS Floating LNG (PFLNG) facilities in Sabah.
- Production of crude oil and condensate is expected to moderate due to exploration of hydrocarbon resources activities in challenging areas such as deep-water and marginal fields.



## **Construction (2021-2025F: Average 4.2% pa)**

*% share of GDP in 2025F: 3.8%*

- The construction sector is driven by the civil engineering and residential buildings subsectors.
- More affordable housing will be developed in strategic locations.
- A total of 500,000 affordable homes will be built, which will be supported by several initiatives, such as Rumah Mesra Rakyat, Residensi Wilayah and Program Perumahan Rakyat.

# Domestic and external demand outlook

- **Private sector will continue to be the key driver of growth.**
- **Private investment will become the catalyst of economic growth** after slowing down in 2019-2020 and is expected to increase to more than 75% of total investment during 12MP (2021-2025) compared with 70% during 11MP (2016-2020). The projected private investment levels will reach the average levels prior to the 1997-1998 Asian Financial Crisis.

Growth rate, %		2016	2017	2018	2019	2020	11MP Target (Ori)	11MP Target (Rev)	11MP Actual	12MP Target
<b>Private</b>	Consumption (59.5%)	5.9	6.9	8.0	7.7	-4.3	6.4	6.8	4.7	5.8
	Investment (15.7%)	4.5	9.0	4.3	1.6	-11.9	9.4	6.1	1.2	3.8
<b>Public</b>	Consumption (13.4%)	1.1	5.7	3.4	1.8	3.9	3.7	1.4	3.2	3.7
	Investment (5.2%)	-1.0	0.3	-5.0	-10.7	-21.3	2.7	-0.6	-7.9	2.6
<b>External demand</b>	Exports (61.5%)	1.3	8.7	1.9	-1.0	-8.9	2.1	3.4	0.2	5.8
	Imports (55.0%)	1.4	10.2	1.5	-2.4	-8.4	2.3	3.7	0.3	6.1

Figure in parenthesis denotes % share of GDP in 2020.

Source: DOSM; EPU

# Where is the demand coming from?



**2021-2025F: Average 5.8% pa**

*% share of GDP in 2025F: 61.9%*

- Supported by higher household income arising from expected stable labour market conditions in tandem with the post-COVID-19 economic recovery, higher minimum wage and cash assistance to the targeted groups.

**Private consumption**



**2021-2025F: Average 3.8% pa**

*% share of GDP in 2025F: 14.8%*

- The National Investment Aspirations (NIA) will be the basis for comprehensive reforms in all investment-linked initiatives and policies.
- Existing investment incentives will be reviewed to attract more investment.

**Private investment**



**2021-2025F: Average 3.7% pa**

*% share of GDP in 2025F: 12.6%*

- Expand in line with the measures taken to reduce the impact of the COVID-19 pandemic and stimulate the economy.

**Public consumption**



**2021-2025F: Average 2.6% pa**

*% share of GDP in 2025F: 4.7%*

- Driven by Federal Government's development expenditure and capital spending of non-financial public corporations (NFPCs), largely in infrastructure, transport, utilities as well as the oil and gas industry.
- Projects will be implemented in phases to ensure fiscal sustainability.

**Public investment**



**2021-2025F: Average 3.1% pa**

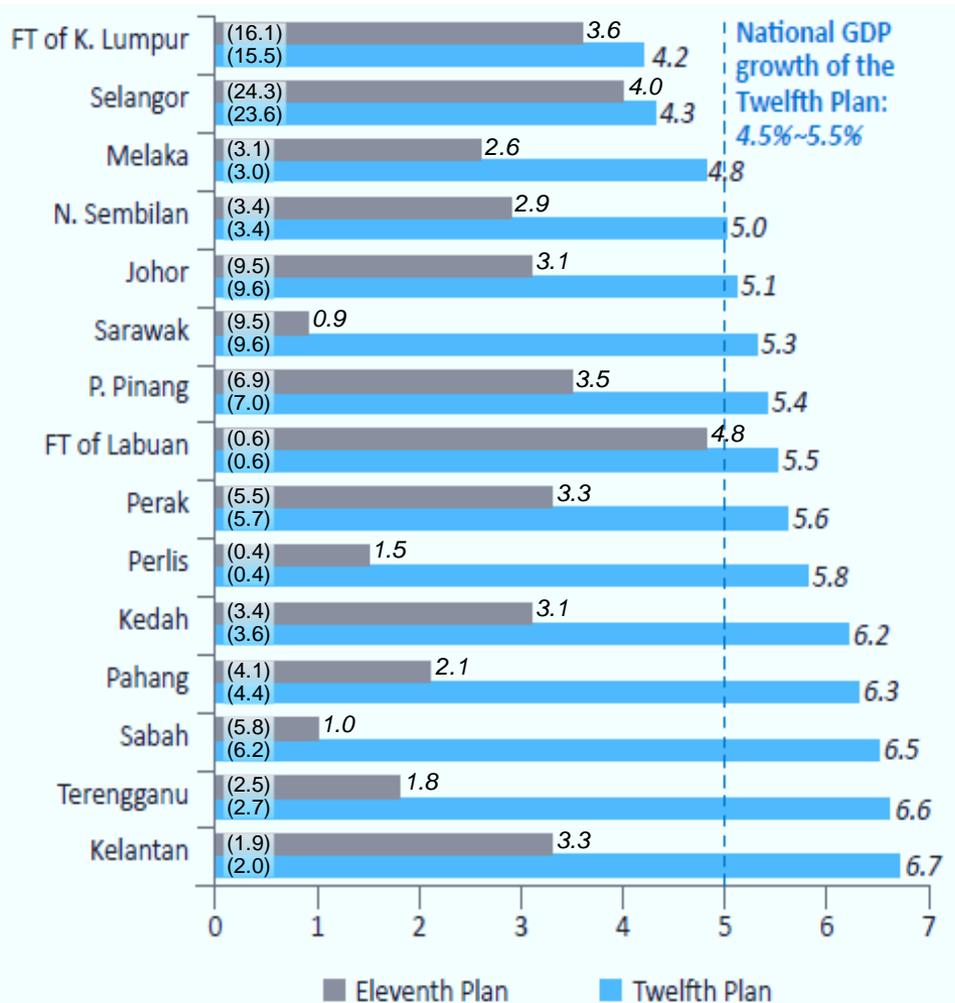
*% share of GDP in 2025F: 6.0%*

- In 2021-2025, real exports will expand by 5.8% pa, while real imports will increase by 6.1% pa.
- Initiatives to strengthen resource-based downstream activities and related services will be escalated, while boosting competitive advantage of main export industries through adoption of new technologies.
- Efforts to leverage gains from trade will be intensified by further improving the efficiency of trade facilitation at all entry points and intensifying e-commerce transactions by encouraging MSMEs to utilise digital platforms.

**Net exports**

# Reducing development disparity to promote regional balance

## GDP growth by State (average % pa)



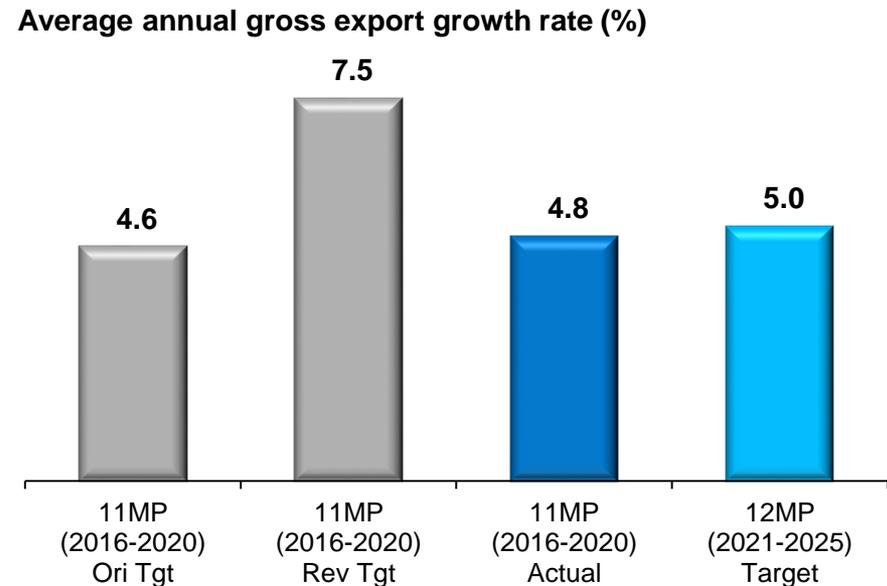
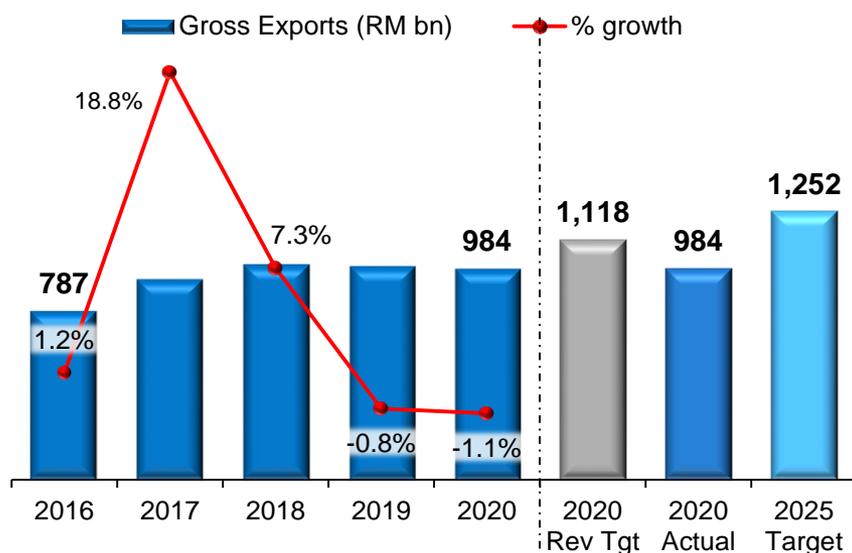
- **GDP for all states** is expected to expand in line with the national economic performance.
- **Disparity in income will be narrowed in all regions.** The states with the lowest GDP per capita, namely Kelantan, Sabah, Kedah and Perlis are anticipated to record faster growth and narrow income disparity.
- GDP per capita gap between the highest and lowest regions, namely the Central and the Sabah regions, is expected to reduce from 1:2.8 in 2020 to 1:2.5 in 2025; while for Sarawak, is also expected to reduce to 1:1.2 in 2025.
- Initiatives will be undertaken to upgrade infrastructure and re-energise economic activities in rural areas as well as improve the rural-urban linkages.

Note: Based on GDP at constant 2015 prices; figure in parenthesis denotes share of national GDP at the end of respective plan. Total share not add-up to 100% due to supra state, which covers production activities that beyond the centre of predominant economic interest for any state.

Source: DOSM; EPU

# Exports driven by global trade recovery & firmer commodity prices

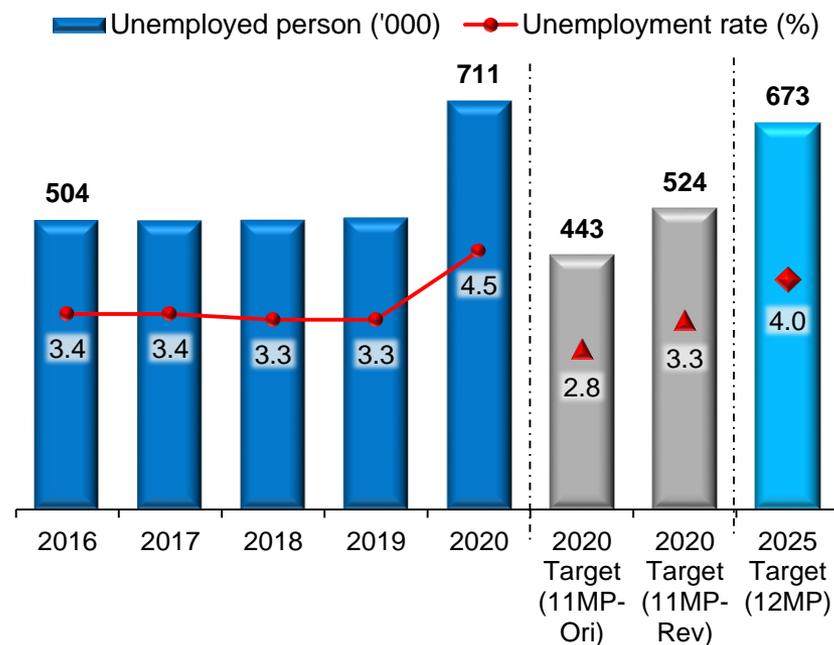
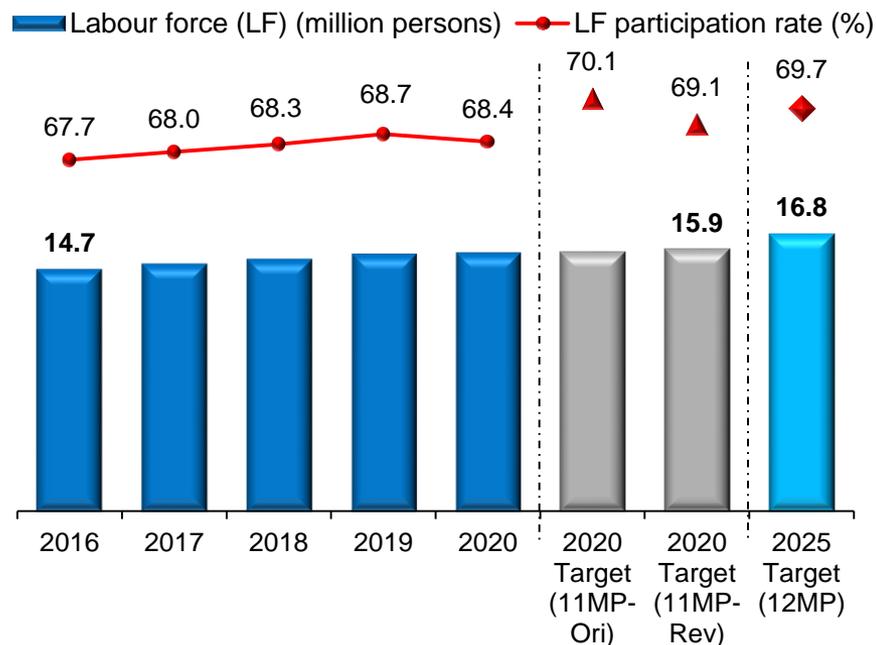
- **Comfortable trade surplus.** Gross exports grew by average 4.8% pa in 2016-2020, outpaced the average gross import growth of 3.0% pa, and hence, widened the trade surplus to RM184.8 billion in 2020 (RM91.6 billion in 2015). The **current account of the balance of payments** recorded a higher surplus of **RM60.0bn or 4.3% of GNI in 2020** (RM 35.2 billion or 3.1% of GNI in 2015).
- **Gross exports are projected to increase at an average annual rate of 5.0% pa in 2021-2025**, supported by higher value-added products and diversification of markets. The implementation of the ASEAN Economic Community (AEC) Blueprint 2025 and new free trade agreements (FTAs) are also expected to provide further impetus to external trade growth.



Source: DOSM; EPU

# Labour market conditions will improve

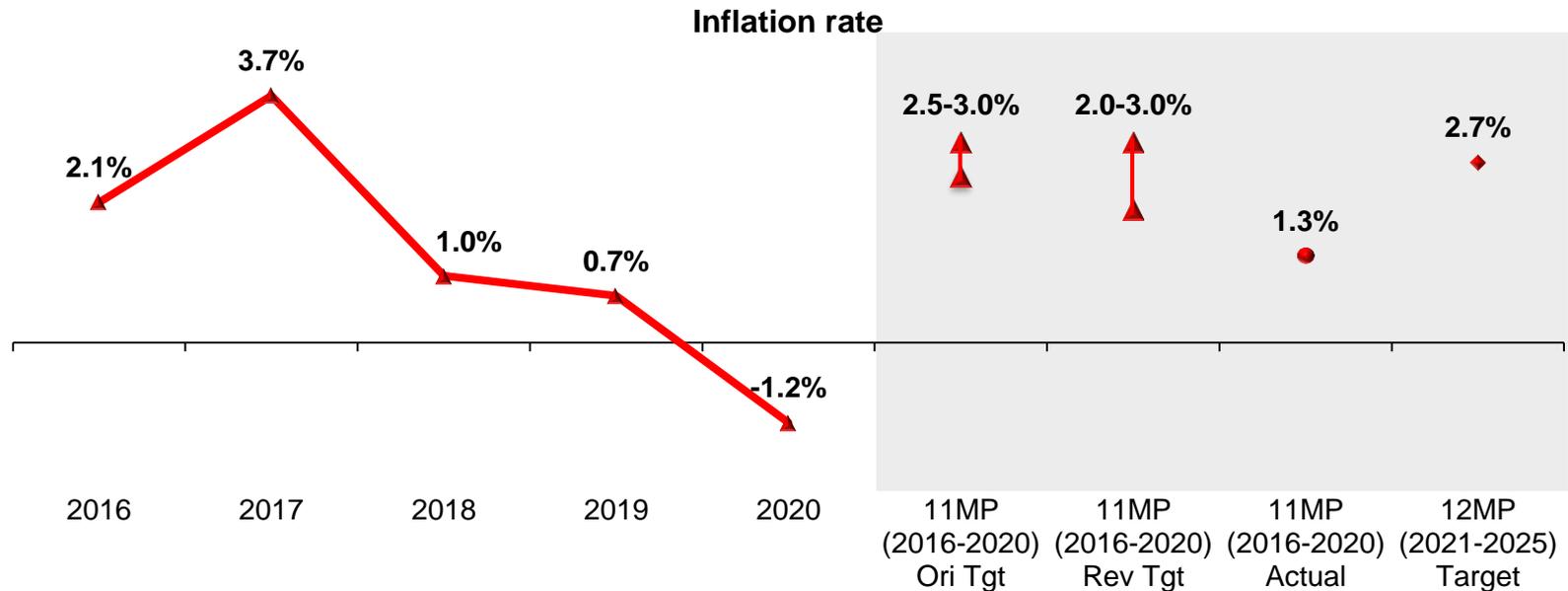
- Labour market conditions are expected to remain favourable with more jobs creation for locals, backed by productivity improvement, greater utilisation of the latent workforce and higher female labour force participation.
- The economy is estimated to **return to full employment with an unemployment rate of 4% by 2025**. Employment is expected to grow moderately by 1.4% per annum to reach 16.2 million by 2025, with an additional of 1.1 million jobs created.



Source: DOSM; EPU

# Inflation level to remain stable in 12MP

- Inflation was stable and lower than targeted at an average annual rate of 1.3% pa in 2016-2020 due to dampened household spending and lower global crude oil prices amid the reintroduction of SST and fixing of retail fuel prices.
- Inflation is expected to stabilize at a lower level, averaging 2.7% pa in 2021-2025 following better economic prospects along with the anticipated recovery in global economy and commodity prices.



Source: BNM

# 12MP – Federal government's fiscal position

- **Fiscal consolidation path disrupted.** After 2008-09 Global Financial Crisis (GFC), the fiscal consolidation path was narrowing from a deficit of 6.7% of GDP in 2009 to 3.0% in 2017 before resetting to 3.7% in 2018 due to one-off expenditure adjustment (GST and income tax refunds), additional provisions and some reclassifications of expenditure between operating and development expenditure. Nevertheless, the COVID-19-induced expansionary fiscal stance has pushed the deficit higher to 6.2% of GDP in 2020.
- **Reducing fiscal deficit position in 12MP.** The 12MP is targeting to **narrow the fiscal deficit position to between 3.0% and 3.5% of GDP in 2025 from 6.2% in 2020.** The overall fiscal balance will decline to RM68.5 billion in 2025 from RM87.6 billion in 2020, though still higher than average RM44.2 billion pa in 2015-2019. The fiscal policy will remain expansionary in the short-term to revitalise the economy after the COVID-19 pandemic.
- **Revenue will be enhanced by exploring new sources, expanding the revenue base, reviewing tax incentives, strengthening overall tax administration and adopting a medium-term revenue strategy.** The **management of expenditure will be strengthened** by introducing medium-term budgeting and expenditure frameworks, undertaking public expenditure reviews and improving government procurement management to ensure spending efficiency and effectiveness.

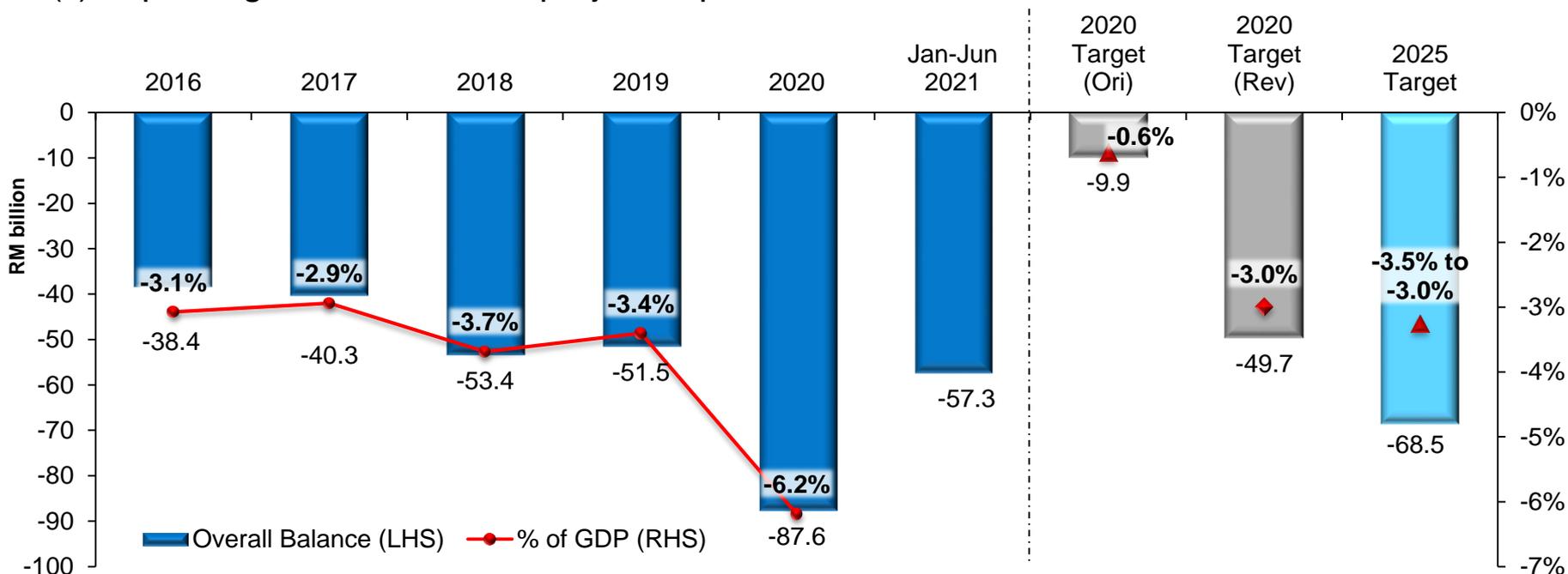
## 12MP – Federal government’s fiscal position (cont.)

- **Federal government’s revenue is targeted to increase by 3.9% pa from RM225.1 billion in 2020 to RM272.0 billion in 2025**, while operating expenditure will increase by a more moderate pace of 3.4% pa from RM224.6 billion in 2020 to RM265.0 billion in 2025, resulting in a higher fiscal current balance of RM7.1 billion in 2025.
- Throughout the period of 12MP, **total allocation for development expenditure (DE) is estimated to be at RM400 billion**, with at least 50% of total basic DE\* will be allocated to six less developed states, i.e. Kedah, Kelantan, Perlis, Sabah, Sarawak and Terengganu. Nevertheless, the 12MP indicated that the allocations for basic development expenditure in 2021 and 2022 are challenging.
- **Rolling out of Fiscal Responsibility Act (FRA)**. As announced in 2019 Budget, the Government will table FRA to strengthen the fiscal governance by institutionalising the fiscal sustainability principles, which is imperative to ensure long-term fiscal sustainability. In September 2021, Ministry of Finance (MOF) also invited public to provide feedback for the formulation of FRA.

\* Total Basic Development Expenditure (Basic DE) is the allocation for programmes and projects to achieve the targeted objectives and strategies in the Five-Year MP.

# Fiscal consolidation path disrupted

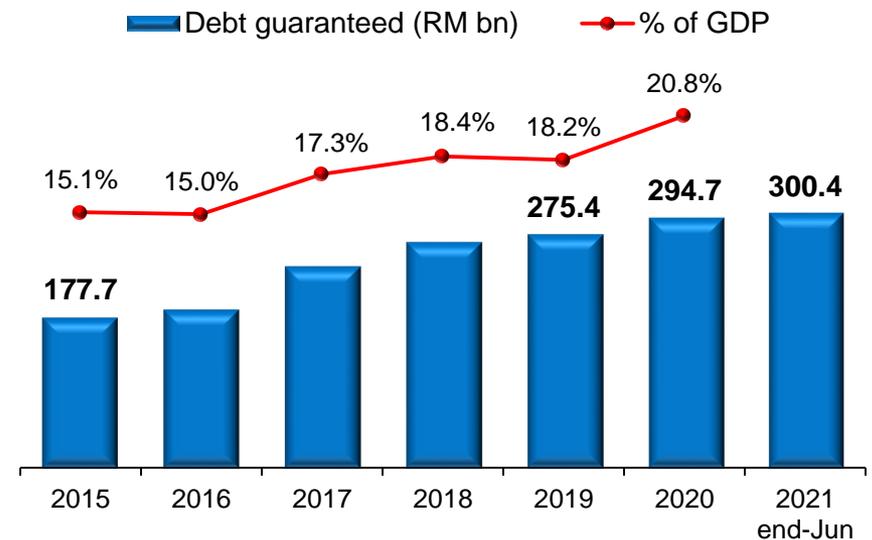
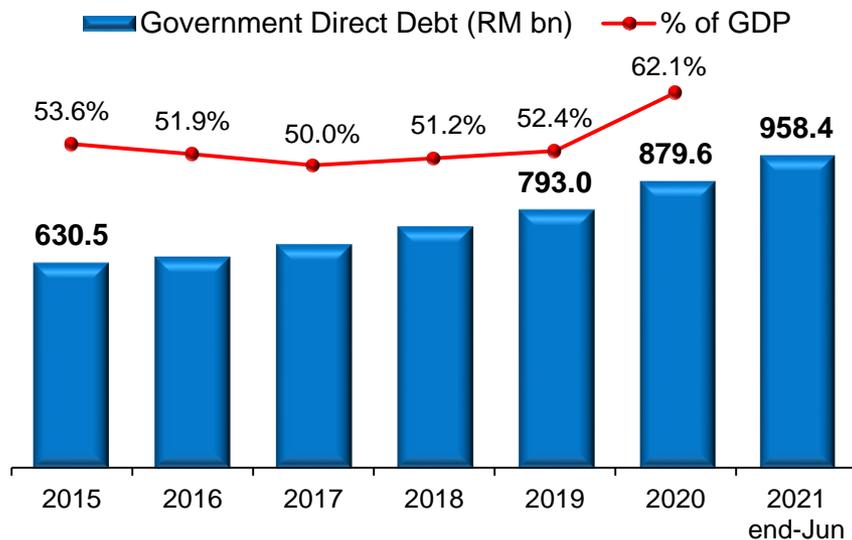
- The fiscal consolidation path set in 11MP (near balanced budget in 2020) and in the Mid-Term Review of 11MP (-3.0% of GDP in 2020) was derailed due to the changed in consumption tax policy and the COVID-19-induced expansionary fiscal stance.
- **Fiscal deficit**, which had enlarged to 6.2% of GDP in 2020 **is targeted to narrow to between 3.0% and 3.5% of GDP in 2025**, guided by two strategies: (i) Reviewing budgeting framework and process, including introducing the Fiscal Responsibility Act; and (ii) Improving effectiveness of project implementation.



Source: BNM; EPU

# Rising concerns on elevating government's debt level

- Federal Government's **direct debt was higher at 62.1% of GDP** at end-Dec 2020 (53.6% of GDP in 2015), while the statutory debt (consists of Malaysian Government Securities (MGS), Malaysian Government Investment Issues (MGII) and Malaysia Islamic Treasury Bills(MITB)) stood at 57.9% of GDP, higher than the self-imposed 55%, but lower than the temporary limit of 60%.
- The Government will **continue to enhance the medium-and long-term debt and liabilities management** with the implementation of accrual accounting, introduction of medium-term debt strategy, establishment of the Debt Management Office (DMO) as well as enhancement of the government guarantees framework.



Source: BNM

## SERC's comments

- *GDP growth target of 4.5%-5.5% pa for 2021-2025 (vs. an average growth of 2.7% pa in 2016-2020) appears to be on the high side. The deep economic scarring effects from the pandemic's impact could take some time to fully recover, especially for micro and small-and medium-sized enterprises (MSMEs), tourism, retail, and transportation sectors. Malaysia's potential output growth has slowed in recent years, from an average annual growth of 4.9% pa in 2011-2019, to 3.3% in 2020 and 3.0-4.0% in 2021. Hence, a substantial improvement in **PRODUCTIVITY, TECHNOLOGY ADVANCEMENT and INCREASE CAPITAL EFFICIENCY** is needed to boost the country's economic growth potential.*
- *The pandemic has caused a significant deterioration in the living standards of poor, lower and middle-income households due to a combination of falling income as well as the loss of employment amid rising expenditure.*
- *With many households having relatively low savings and earnings amid high debt, and have drawn on the Employees Provident Fund's retirement savings and on loan moratorium program, the disrupted employment as well as sudden and severe income shock amid continued rise in living costs have pushed them into poverty and at the lower bound of household income trajectory. The percentage of Malaysians live below poverty line income (RM2,208 per month) had increased to 8.4% (640,000 poor households) in 2020 from 5.6% (405,000 households in 2019); and 580,000 M40 households (20% of the middle-income group) have been pushed down to B40 category.*

## **SERC's comments (cont.)**

- *Besides the financial assistance support through job retention scheme and self-employment income support schemes, the government needs to set conducive conditions for sustainable economic growth, investment and employment opportunities, which can support growing incomes for all.*
- *The Government can map out an income enhancement program covering education, reskilling and upskilling, commerce and entrepreneurship development as well as employability to help improve their income level growing a faster rate. There must be a major shift in people's attitudes towards self-improvement, creativity, innovative and mastering new technology and knowledge for self-development.*
- *The cash handouts only provide a temporary relief but it is not fiscally sustainable over the long-term. It is through upskilling and reskilling as well as empowerment programs to increase marketability and productivity of the targeted income group as well as equipped with the skill set to enhance their employment capacity. Provide an efficient eco-system and infrastructure (such as commerce and entrepreneurship development programs, high-end and better value creation industries, digitalized-technology and internet connections) to increase their income level.*

## SERC's comments (cont.)

- *Exports of goods and services are expected to be supported by the continued global economic growth; firmer commodity prices as well as through participation in the Regional Comprehensive Economic Partnership (RCEP) and other free trade agreements. Malaysia needs to speed up the ratification of such multilateral free trade agreements (FTAs), including the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), in order to enjoy the fruits.*
- *In the past, most economic development have focused on the Central region or a few key states, resulting in large development and income disparities between the developed states and less developed states. It is encouraging that the Government intends to allocate at least half of the basic development expenditure for these less developed states. Infrastructure should be prioritized in order to develop these areas. As such, the Pan Borneo Highway and East Coast Rail Link (ECRL) are important drivers to bridge the connectivity and spur more economic and business activities in those states.*
- *RM400 billion Development Expenditure (DE) allocation in 2021-2025. It is a challenge to have adequate and sustainable fiscal resources to finance the historic high allocation of DE. The pandemic has overstretch the already tight fiscal space, forcing the Government to raise its debt ceiling to 60% of GDP from 55% in 2020 and will increase further to 65% this year. This calls for the implementation and strengthening of revenue strategies: Managing revenue leakages via plugging revenue loss from smuggling and counterfeiting; strategies to increase tax revenue through increased tax compliance; and tax incentives review.*

## SERC's comments (cont.)

- **Uncertainties and risks to 12MP's macro targets.** *The prolonged health risk coming from the global pandemic, monetary path uncertainties in the advanced economies, declining fiscal capacity and the limited monetary tools, more competitive policies from the neighboring countries, lack of forward-looking policies are among the key risks to the future growth.*

# 12MP – Anchored on Three Key Themes and Four Policy Enablers

## THEME I



## THEME II



## THEME III



Policy Enabler 1



Policy Enabler 3

Policy Enabler 2



Policy Enabler 4

**THEME I**

THEME II

THEME III

Policy  
Enablers

1

2

3

4

**THEME I**

## Resetting the Economy



- Focuses on restoring the growth momentum of key economic sectors, and propelling strategic and high impact industries as well as micro, medium and enterprises



# THEME I: Resetting the Economy

- Priority given to **boost productivity, expand market access, enhance financial intermediation, promote balanced industrial development** as well as **improve policy and governance**.
- Efforts will be undertaken to accelerate the development of strategic and high impact industries and enhance the capacity and capability of entrepreneurs as well as enterprises. Effective implementation of these strategies will position Malaysia as a key player in the global value chain.

	Total
<i>Chapter</i>	2
<i>Priority Area</i>	7
<i>Strategy</i>	27
<i>Initiative</i>	80

## Key salient points

### Promoting Evidence-Based Policy Making

- **Evidence-based policy (EBP) making** will be promoted, including establishing a user-friendly data sharing framework. The adoption of EBP approach will enhance the effectiveness of policies and programmes by leveraging available research and studies.
- In addition, the compilation of microdata will be strengthened, including developing a linked employer-employee dataset, to better identify the diverse and pertinent factors, which stifle enterprise-level productivity.



# THEME I: Resetting the Economy (cont.)

## Moving up the Value Chain

- Measures will be introduced to **enable all economic sectors to move up the value chain** by improving operational and production processes, adopting emerging technology in new product development, accelerating talent development as well as increasing high value-added activities. These efforts will **enhance business competitiveness**, thus **improving sectoral productivity**.
- In line with the Construction 4.0 Strategic Plan adoption of advanced technologies, including augmented reality (AR) and virtual reality (VR) in buildings and infrastructure projects will be intensified. These tools will contribute to efforts in promoting **best practices, improving credibility of industry players and reducing dependency on low-skilled labour, mainly foreign workers**.
- Concerted efforts will be undertaken to ensure higher adoption of technology to enhance efficiency and productivity across the services sector. For manufacturing sector, the implementation of Industry4WRD will be intensified. The growth strategy in the manufacturing sector will focus on producing **high value-added and complex products**, especially in the **E&E, chemical and chemical products, machinery and equipment (M&E) and aerospace**.



# THEME I: Resetting the Economy (cont.)

## Enhancing Incentives and Financial Assistance

- Incentives and financial assistance in all economic sectors will be enhanced to promote quality investment based on a performance-based approach.
- For healthcare sector, existing tax incentives will be revised to attract involvement of more research-based organisations and increase foreign direct investment (FDI) in clinical research; efforts will be undertaken to increase domestic investment in the pharmaceutical industry through commercialisation of R&D findings to secure sustainable medicine supply in Malaysia.

## Expanding Export Markets

- Efforts will be intensified to increase collaboration among industry players, including through smart partnerships, to enhance market access.
- Multinational companies (MNCs) will be incentivised to collaborate with MSMEs to strengthen backward linkages to assist MSMEs in participating in the global value chain.
- Focus will be on leveraging trade agreements, and intensifying marketing and export promotion. Several potential FTAs are currently being negotiated and will be among the priorities to be leveraged.



# THEME I: Resetting the Economy (cont.)

## Accelerating the Development of Strategic and High Impact Industries



**Boosting Electrical and Electronics Industry in Moving up the Value Chain**



**Maximising the Potential of the Creative Industry**



**Establishing a Sustainable Aerospace Industry**



**Fostering Competitiveness of Inclusive Halal Industry**



**Realising the Potential of Biomass Industry**



**Intensifying Smart Farming Activities**



**Re-energising the Tourism Industry**



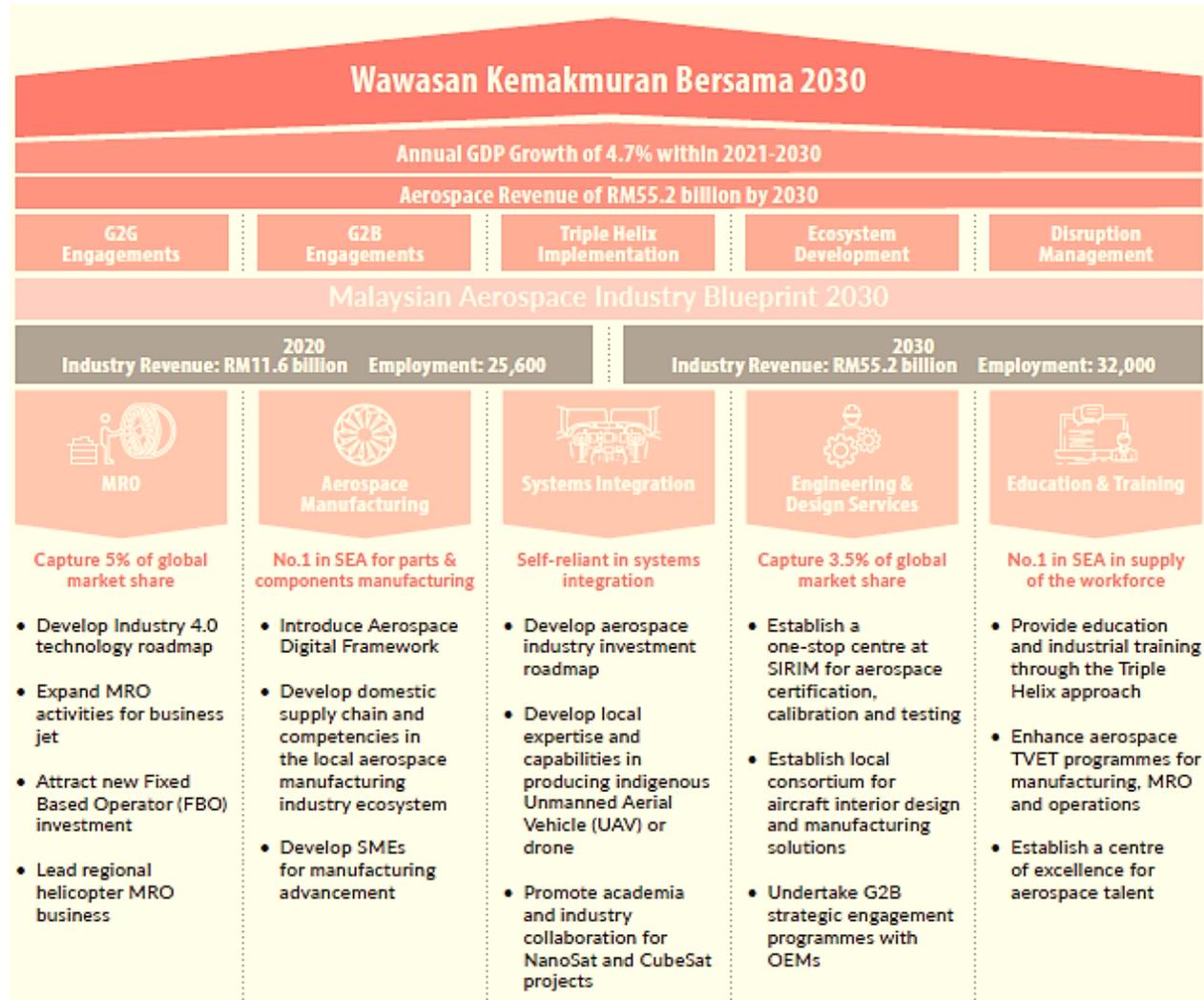
**Enhancing Competitiveness of Global Services**



# THEME I: Resetting the Economy (cont.)

- The **aerospace industry** has been identified as one of the strategic industries to propel Malaysia into the high technology trajectory.
- The industry is projected to generate RM30 billion in revenue by 2025, from RM11.6 billion in 2020, and create 30,000 jobs.
- The industry development will focus on four clusters, namely MRO, aerospace manufacturing, systems integration, and engineering and design services to create synergy and promote the growth of local players.

## Aerospace Industry Framework



Source: EPU; Malaysia Aerospace Industry Association; National Aerospace Industry Coordinating Office



## THEME I: Resetting the Economy (cont.)

### SERC's comments:

- *The Government should expedite the ratification of Regional Comprehensive Economic Partnership (RCEP) and other concluded Free Trade Agreements (FTAs) such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in order to provide market access for Malaysian exporters. Resuming FTA negotiations with the EU to ensure that we do not lose out further to Vietnam as the latter is already enjoying the fruits of CPTPP and ratified EU–Vietnam Free Trade Agreement on 8 June 2020.*
- *Malaysia Productivity Corporation (MPC) should establish a division called “Technical Service Division”, which serves as a one-stop enterprise R&D innovation services to provide assistance and technical advisory services to businesses, covering industrial technology information, patent layout, R&D promotion, production and maintenance, knowledge management and project management. Meanwhile, it can also assist companies in their upgrading and transformation through the injection of the government R&D resources as well as provides the training, counselling and information services needed by enterprises.*



## THEME I: Resetting the Economy (cont.)

### SERC's comments (cont.):

- *In boosting competitiveness, quality investment and exports, the Government should focus on removing barriers to business growth and investment; ensure transparency, consistent and clear rules/regulations that limit administrative discretion to minimize unproductive rent seeking and corruption. We must persistently push zero tolerance for corruption, which adds to hidden costs.*
- *The authorities and agencies at all levels (Federal, state and local authority) need to demonstrate leadership to actively facilitate investment through ease of doing business; build better Government-business relationship to ease business pain points as well as maintain public-private sectors engagement so as to have proper business impact analysis before introducing new policies or regulations.*
- *With the support of fast evolving technology, digitalization and innovation as well as enhanced facilitation measures, Malaysia can champion home-grown competitive leading players in education, tourism and high value-added plantation, oil and gas, transport equipment (smart and electric cars) as well as smart agriculture and food production through the deployment of deep-technology (such as sensors, devices, machines, and information technology).*



## THEME I: Resetting the Economy (cont.)

### SERC's comments (cont.):

- *The lack of technical knowledge, low physical and ICT adoption prevents SMEs from operating efficiently and accessing international markets at competitive costs. Hence, increased use of digitalisation, better access to global markets and knowledge networks can strengthen SMEs' contributions.*
- *The 12MP has identified eight strategic and high impact industries and set the paths on the development of these selected industries. Taking a step back, while the policy is well-designed, the actual implementation needs to be forward-looking and practical with result-based orientation. Malaysia used to have good policies but there are a lot of controversies when comes to the actual implementation.*
- *High level and technical level committees with participation of right candidates from private sectors with regular meetings to discuss the ongoing industry concerns are vital to ensure that the ground issues are being addressed. Periodic evaluation and monitoring of progress and achievements for public disclosure will reinforce the seriousness in ensuring a proper implementation.*

# Selected targets under THEME I – Chapter 2

## Boosting Productivity Growth

Average Growth of Labour Productivity



-  Target
-  SDG
-  WKB 2030

## Expanding Export Markets

Total Exports



# Selected targets under THEME I – Chapter 2 (cont.)

## Strengthening the Effectiveness of Financial Intermediation Ecosystem



Financial Market



Capital Market

## Strengthening the Role of Industrial Estates and Food Production Areas



Utilisation Rate of Dedicated Food Production Areas



Increase Utilisation rate in Selected Industrial Estates



## Improving Governance and Policy



Agriculture



Mining



Construction



Manufacturing



Services

# Selected targets under THEME I – Chapter 3

## Accelerating the Development of Strategic and High Impact Industries



2025

Contribution of Electrical and Electronics Industry to GDP



2025

Export Value of Electrical and Electronics Products



2025

Total Investment of Global Services



2025

Revenue from the Aerospace Industry



2025

Job Opportunities Created in the Aerospace Industry



2025

Contribution of Creative Industry to GDP



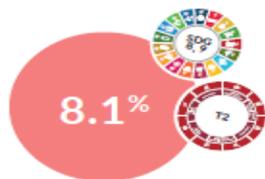
2025

Total Inbound Tourist Expenditure



2021-2025

Annual Growth of Domestic Visitors



2025

Contribution of Halal Industry to GDP



2025

Export Value of Halal Products



2021-2025

Total Investment in Biomass Industry

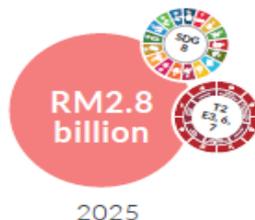


# Selected targets under THEME I – Chapter 3 (cont.)

## Boosting Capabilities of Entrepreneurs and Enterprises



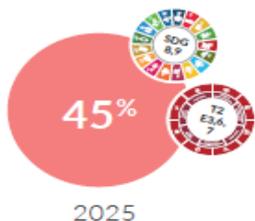
Revenue of Cooperatives



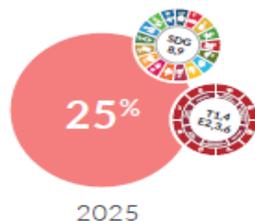
Revenue of  
*Pertubuhan Peladang Kawasan*  
(PPK)



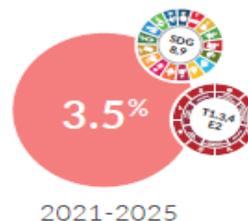
Revenue of  
*Persatuan Nelayan Kawasan*  
(PNK)



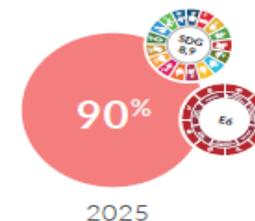
Contribution of MSMEs  
to GDP



Contribution of MSMEs  
to Total Exports



Average Annual Growth  
of Labour Productivity  
of MSMEs



MSMEs to Digitalise  
Business Operations

-  Target
-  SDG
-  WKB 2030

THEME I

**THEME II**

THEME III

Policy  
Enablers

1

2

3

4

**THEME II**

**Strengthening Security, Wellbeing and  
Inclusivity**



- Focuses on the efforts to uphold the country's stability by enhancing defence and security, while improving healthcare, providing affordable housing, promoting an active lifestyle and fostering unity



## THEME II: Strengthening Security, Wellbeing and Inclusivity

- More emphasis will be given towards **efforts in addressing poverty** and strengthening inclusivity. Besides, the development budget allocation will be given **priority to the six less developed states\*** in order to bridge the development gap.

	Total
<i>Chapter</i>	4
<i>Priority Area</i>	19
<i>Strategy</i>	71
<i>Initiative</i>	184

\*Kedah, Kelantan, Perlis, Sabah, Sarawak and Terengganu

### Key salient points

#### Achieving an Equitable Outcome for Bumiputera

- **A dedicated Bumiputera Prosperity Division (BKB) will be established in each ministry and agency** through the redeployment of existing staff. This division is responsible for implementing the Bumiputera agenda within the ministries and agencies as well as in monitoring and evaluating equitable outcomes.
- In increasing **Bumiputera residential ownership**, a **dedicated fund** will be explored to provide a financing scheme for **eligible Bumiputera households**. Besides, the policy on Bumiputera quota in home ownership will be coordinated between Federal, state and local governments to enable them to buy residential assets at affordable prices.
- In ensuring sustainable Bumiputera corporate sector equity ownership, **shares of companies divested by Bumiputera mandated agencies will be offered to eligible Bumiputera consortiums and companies.**



## **THEME II: Strengthening Security, Wellbeing and Inclusivity (cont.)**

### **Promoting Economic Activities of Key Growth Nodes and Hotspot Areas**

- **The development of new townships led by the private sector, including in the Setia Fontaines, Pulau Pinang as well as Seriemas in Ampangan and Rantau, Negeri Sembilan, are expected to provide additional job and business opportunities.**
- **The Setia Fontaines township is expected to leverage the eco-city concept, while Seriemas township will focus on Transit Oriented Development (TOD) and Transit Adjacent Development (TAD).**
- **The catalytic development of Malaysia Vision Valley 2.0 (MVV 2.0) in Negeri Sembilan and the proposed Pagoh Special Economic Zone in Johor will provide new opportunities for growth.**
- **The development of phase three of the Techpark@Enstek in Negeri Sembilan will expand the development of halal-related activities, particularly in food and beverages, pharmaceuticals and cosmetics industries.**
- **The extended and new demarcation of the Sarawak Corridor of Renewable Energy area, which covers the Upper Rajang, Northern and Highland areas will ensure a more comprehensive development to accelerate economic growth in the rural and interior areas of Sarawak.**



## **THEME II: Strengthening Security, Wellbeing and Inclusivity (cont.)**

### **Prioritising Development Allocation for Less Developed States**

- The **six less developed states** comprising **Kedah, Kelantan, Perlis, Sabah, Sarawak and Terengganu** will continue to be prioritised with **at least 50% of the Total Basic Development Expenditure\***.
- Greater collaboration among Federal and states agencies will be undertaken to ensure the effective and efficient implementation of targeted programmes and development projects. These measures will accelerate the provision of basic infrastructure and amenities as well as generate more economic opportunities in the less developed states and contribute to reducing the development gap.

### **Increasing Cross-Border Economic Activities and Strengthening Value Chains**

- A strategic action plan will be formulated to accelerate cross border value chain development. In line with the project-centric approach of IMT-GT Vision 2036 and BIMP-EAGA Vision 2025, **at least 30 catalytic projects with a strong focus on enhancing local economic activities will be identified.** These projects will be mainly **private sector-led and scalable, replicable and sustainable.**

*Note: \*Total Basic Development Expenditure (Basic DE) is the allocation for programmes and projects to achieve the targeted objectives and strategies in the Five-Year Malaysia Plan. Examples of Basic DE projects are construction of schools, hospitals, roads, industrial areas and poverty eradication programmes.*



## **THEME II: Strengthening Security, Wellbeing and Inclusivity (cont.)**

### **Creating Liveable Towns and Cities in Sub-regional Areas**

- Specific measures will be undertaken to create liveable towns and cities in the sub-regions. These include **extending and implementing the Green City Action Plan (GCAP) for additional 14 urban centres**, namely **Kangar, Langkawi, Kulim, Taiping, Kuala Kangsar, Ipoh, Manjung, Teluk Intan, Kota Bharu, Seremban, Labuan, Kuching, Penang Island and Seberang Perai** under the Sustainable Urban Development Framework (SUDF).

### **Improving Infrastructure Accessibility and Connectivity**

- **The bridge connecting Rantau Panjang, Kelantan and Sungai Golok, Narathiwat will be upgraded.** Meanwhile, the **completion of more segments of the Pan Borneo Highway project will enhance economic growth across Sabah and Sarawak.**

### **Increasing Provision of Rural Infrastructure**

- The provision of rural infrastructure will be further expanded. These include building and **upgrading 2,800 kilometres of paved roads, 100 bridges and installing street lights** to ensure the safety of road users. Digital infrastructure will be expanded to **increase fixed broadband coverage in rural areas, targeting at least 20% of premises with up to 500Mbps.**



## **THEME II: Strengthening Security, Wellbeing and Inclusivity (cont.)**

### **Expedite the development of Sabah and Sarawak**

- In the Twelfth Plan, **Sabah and Sarawak will each continue receiving between 15% and 18% annually of the total basic development allocation.** A significant portion of this allocation will be channelled to the economic sectors in both states.
- **Transport connectivity between Sabah and Sarawak with Kalimantan will be improved.** This will include **construction of a road link between Serudong in Tawau and Simanggaris in North Kalimantan.**
- Improve inland container port facilities to support inland logistics, particularly the Keningau Inland Port in Sabah and the Tebedu Inland Port in Sarawak.
- The **Integrated Agricultural Development Areas of Kalaka Saribas and Samarahan in Sarawak** will be transformed into **modern agriculture areas.** The existing **Taman Kekal Pengeluaran Makanan (TKPM)** and **Zon Industri Akuakultur (ZIA)** will also be upgraded to encourage **modern agriculture.**
- The **existing halal parks including the Kota Kinabalu Industrial Park and Palm Oil Industrial Cluster Lahad Datu in Sabah, as well as Tanjung Manis Halal Hub in Sarawak, will be upgraded through a holistic development approach** to enable more integrated planning, coordination and implementation in increasing the utilisation of the parks.



## **THEME II: Strengthening Security, Wellbeing and Inclusivity (cont.)**

### **Expedite the development of Sabah and Sarawak (cont.)**

- The upgrading of the **Sepanggar Port** which commenced in 2020 is **expected to be completed in 2024**. This port will serve as the transshipment and entry point for trade activities in the BIMP-EAGA subregion.
- The **upgrading of the capacity and services of Bintulu Port** is vital in establishing it as one of the **main ports of call on Borneo Island**. In line with rapid development of the manufacturing sector in Kuching and Bintulu, **Bintulu Port is an important node in the West Borneo Economic Corridor**.
- The provision of broadband in the urban areas will be driven by industry, while the government will focus on the rural areas. **Under the Twelfth Plan, 781 points of presence (PoP) will be provided in Sabah and 643 in Sarawak**.
- The Sarawak electricity system will be further strengthened with the implementation of the **1,285 megawatt Baleh hydroelectric project that is expected to be completed in 2025**. The **Northern Grid will be developed to expand the State Grid System** to cover the whole state. This will also **provide additional capacity to meet load growth in Limbang and Lawas**, as well as allow connection to many villages under the Rural Electrification Scheme.



## **THEME II: Strengthening Security, Wellbeing and Inclusivity (cont.)**

### **Leveraging City Competitiveness to Attract Investment**

- Priority will be given to **enhance land utilisation through better zoning and the redevelopment of underutilised land parcels with specific themes** and clustering economic activities.
- **The revitalisation of Cyberjaya as a global technology hub and the development of Bandar Malaysia as an international business hub will promote the Malaysia brand.** The development of suburban areas, including border towns will be emphasised to attract more investment and businesses, generating spillover effects to wider surrounding areas.



## **THEME II: Strengthening Security, Wellbeing and Inclusivity (cont.)**

### **SERC's comments:**

- *SERC supports that more emphasis will be given to empower B40 households and to support the M40 towards equitable income in the Twelfth Plan. The government will adopt the evidence-based policies facilitate the process of identifying target groups and developing the profile of poor households. However, cash handouts to targeted group is not a permanent source of income and is not fiscally sustainable. “An Exit and Graduation” program can be implemented to reduce their dependency on the government’s assistance.*
- *The Government can map out an income enhancement program covering education, reskilling and upskilling, commerce and entrepreneurship development as well as employability to help improve their income level growing a faster rate. There must be a major shift in people’s attitudes towards self-improvement, creativity, innovative and mastering new technology and knowledge for self-development.*
- *It is through upskilling and reskilling as well as empowerment programs to increase marketability and productivity of the targeted income group as well as equipped with the skill set to enhance their employment capacity. Provide an efficient eco-system and infrastructure (such as commerce and entrepreneurship development programs, high-end and better value creation industries, digitalized-technology and internet connections) to increase their income level.*



## THEME II: Strengthening Security, Wellbeing and Inclusivity (cont.)

### SERC's comments (cont.):

- *Malaysia's overhang residential properties remained high at 31,112 units as of 1H 2021 (1H 2020: 31,661 units). Overhang residential units below RM500,000 accounted for 53.3% share (16,601 units) of total overhang residential units. Under 12<sup>th</sup> MP, the government plans to construct 500,000 quality affordable housing for targeted groups in 2021-2025 (assume 100,000 houses per year). It is expected that the property market will remain challenging in the upcoming five years. Overhang residential units may be worsened if the design of properties built by the government is similar to that of private developers supplying in the market.*
- *Under Strategy C1 in Chapter 4, it stated that **"Ceiling prices of affordable housing will be introduced in the secondary market to control house prices, especially in the urban areas"**.*
- *Currently, there is no official definition of "Affordable" house price in the country. Even if there was, it cannot be applied uniformly across the states and urban areas as well as locations within the same state. How to set the price ceiling of affordable housing? There are a lot of factors affecting the house prices and affordability: income, cost of purchase, location, structural change in mortgage market, inflation (investment asset preservation).*
- *This proposed policy needs a thorough study before implementation. The implementation of price control of affordable housing in the secondary market will discourage the buyers to purchase on concerns that there is no value appreciation against inflation rate in the long term. Concurrently, it may demotivate buyers to purchase new affordable housing in the primary market.*



# THEME II: Strengthening Security, Wellbeing and Inclusivity (cont.)

## SERC's comments (cont.):

- Definition of “affordable house price” from **BNM & REHDA**

### BNM thinks it should be lower:

Household income bracket (RM)	Maximum Affordable House Price (RM)
<1,999	112,200 – 124,700
<2,000 – 3,999	222,150 – 247,200
<4,000 – 5,999	318,600 – 354,600
<6,000 – 7,999	408,300 – 453,600
<8,000 – 9,999	493,500 – 556,100
<10,000 – 14,999	699,560 – 777,600

By selected state	Reality (RM)	AFFORDABLE (RM)
Kuala Lumpur	490,000	250,000 to 300,000
Selangor	300,000	
Johor	260,000	
Penang	295,000	

### Based on states' median income loan eligibility, REHDA proposed the following:

Urban 1	RM500,000	Kuala Lumpur, Selangor (Klang Valley)
Urban 2	RM400,000	Selangor (others), Penang Island, Johor Bahru
Urban 3	RM350,000	Penang (Seberang Perai), Johor, Melaka, Negeri Sembilan
Urban 4	RM250,000	Terengganu, Kedah, Perak, Perlis, Pahang
Urban 5	RM200,000	Kelantan

Source: Department of Statistics, Malaysia and Bank Negara Malaysia estimates; PNB Development (2018)



## **THEME II: Strengthening Security, Wellbeing and Inclusivity (cont.)**

### **SERC's comments (cont.):**

- *SERC expects more business and investment opportunities in six less developed states (Kedah, Kelantan, Perlis, Sabah, Sarawak and Terengganu) following the allocation of at least 50% Basic Development Expenditure (Basic DE) to these states, which make up 23.5% of total national economic output (GDP). The overall improvement in economic growth in these states will help to raise the people income and increase their spending power.*
- *Under the 50% Total Basic Development Expenditure\*: (a) 15-18% of total allocation will be channeled to Sabah and Sarawak in 2021-2025; and (b) 32-35% of Basic DE will channel to improve economic and business situations in Kedah, Kelantan, Perlis and Terengganu. Domestic and foreign investors should explore the incentives offered by these six states to diversify and grow their business.*

*Note: \*Total Basic Development Expenditure (Basic DE) is the allocation for programmes and projects to achieve the targeted objectives and strategies in the Five-Year Malaysia Plan. Examples of Basic DE projects are construction of schools, hospitals, roads, industrial areas and poverty eradication programmes.*

# Selected targets under THEME II – Chapter 4

## Ensuring National Security and Sovereignty



2025

Rank in Global Peace Index



2025

Index Crime Cases per 100,000 Population



2025

Police Response Time

## Enhancing Healthcare Service Delivery



2025

Health Index in Malaysian Wellbeing Index (MyWI)



2025

Doctor to Population Ratio



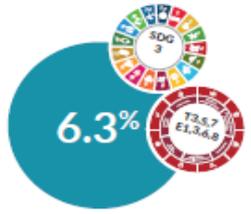
2025

Hospital Beds per 1,000 Population Ratio



2025

Reduction in Risk of Premature Mortality

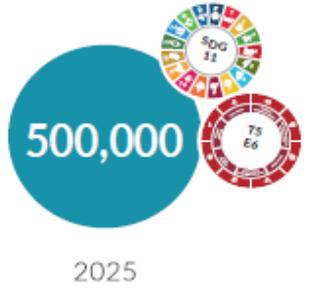


2025

Reduction in Prevalence of Smoking

# Selected targets under THEME II – Chapter 4 (cont.)

## Increasing the Supply of Quality Affordable Housing



Affordable Houses Constructed



## Leveraging Sports in Building an Active Nation



Malaysian Sports Culture Index

## Strengthening National Unity for a Prosperous Nation



National Unity Index



Formulation of a Unity Policy

# Selected targets under THEME II – Chapter 5

## Addressing Poverty and Narrowing Inequality



2025

Gini Coefficient



2025

Incidence of Absolute Poverty



2025

Incident of Relative Poverty



2025

Multidimensional Poverty Index

## Increasing Income and Standard of Living of B40



2025

Mean Monthly B40 Household Income



2025

Median Monthly B40 Household Income



2025

Share of Income of B40 from Overall Household Income

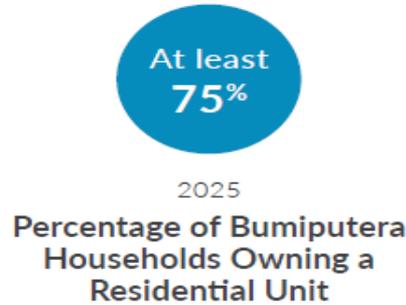
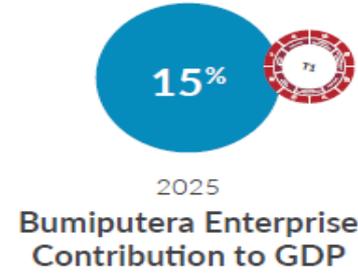


2025

Percentage of Skilled Workers to Total B40

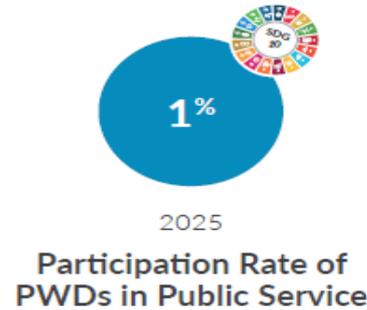
# Selected targets under THEME II – Chapter 5 (cont.)

## Achieving an Equitable Outcome for Bumiputera



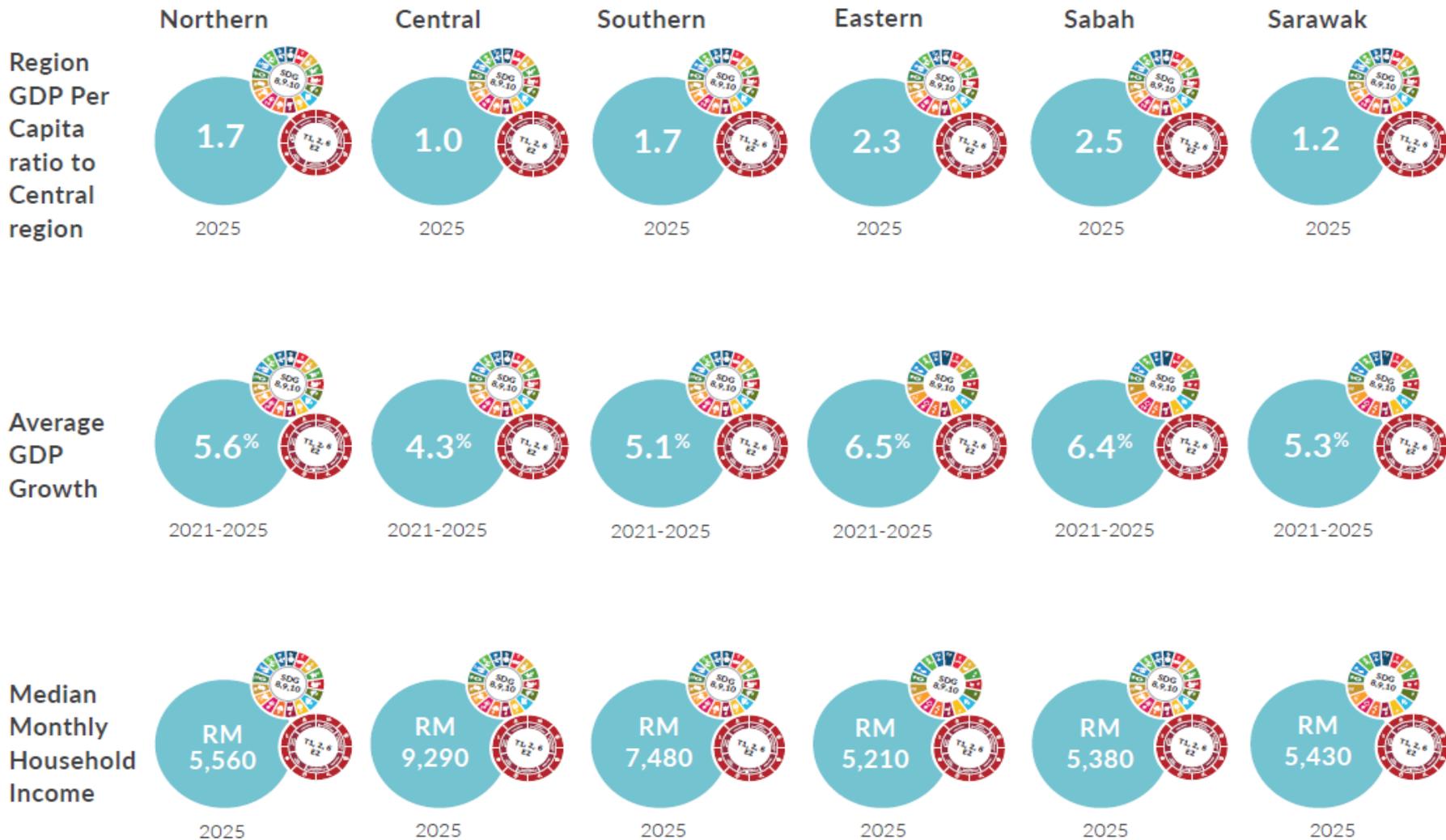
-  Target
-  SDG
-  WKB 2030

## Empowering Specific Target Groups



# Selected targets under THEME II – Chapter 6

## Optimising Regional Economic Potential



# Selected targets under THEME II – Chapter 6 (cont.)

## Developing Sustainable Cities

- Target
- SDG
- WKB 2030



Achieve Sustainable City Status based on MURNInets

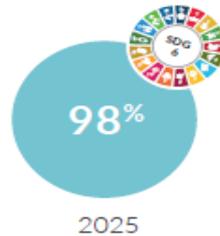


Implement Green City Action Plan under IMT-GT and BIMP-EAGA Platform

## Transforming Rural Areas to Bridge Development Gap



Constructing and Upgrading Rural Paved Roads



Coverage Access to Clean and Safe Water



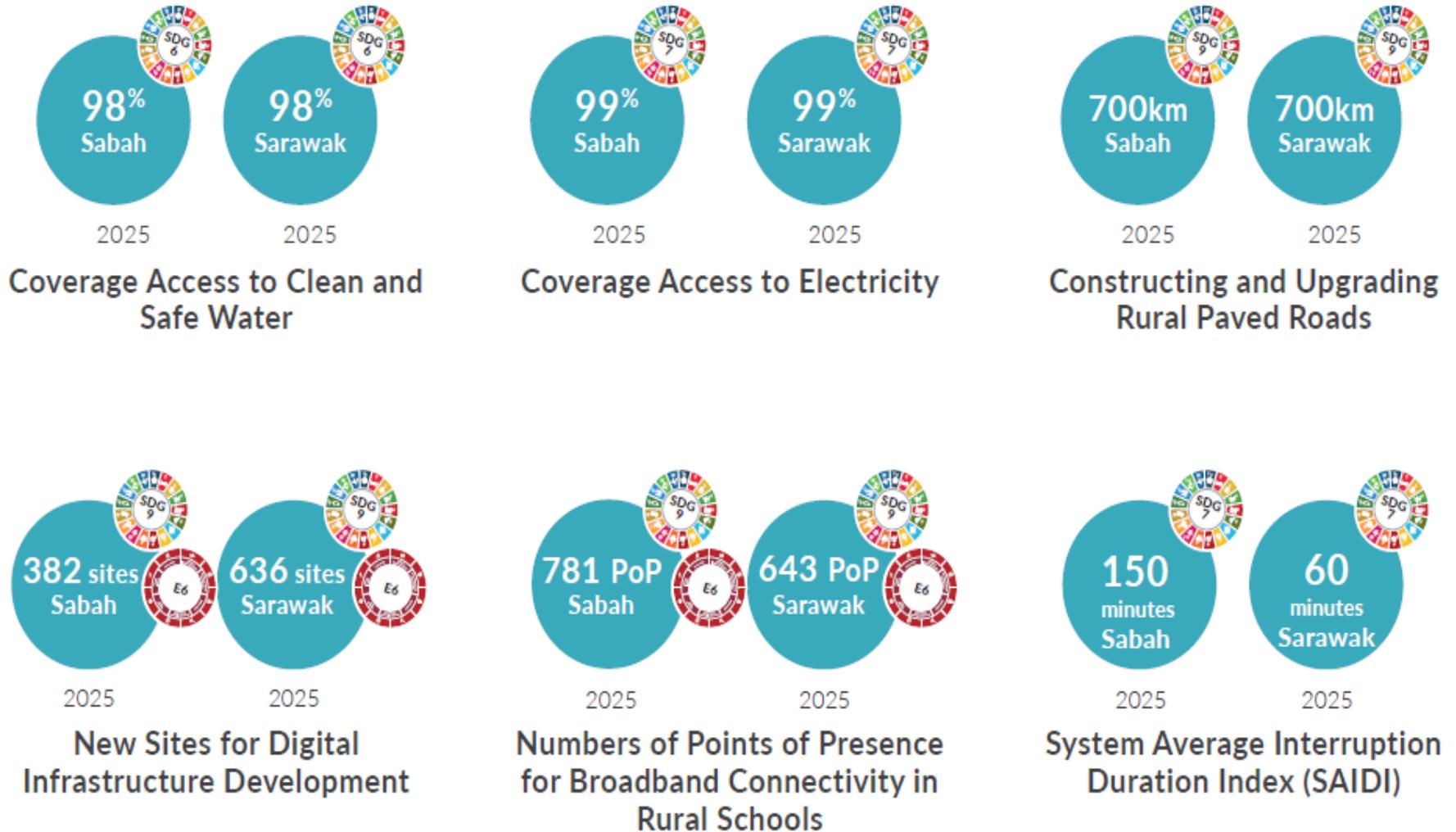
Coverage Access to Electricity



Rural-Urban Income Ratio

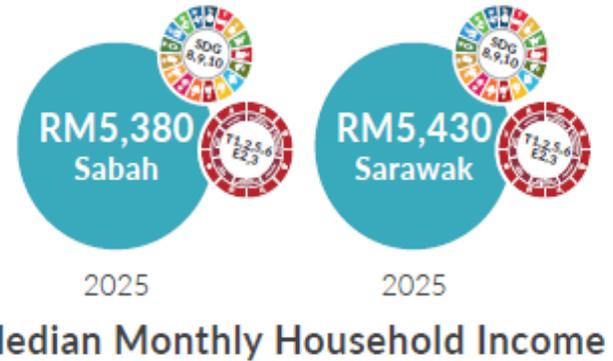
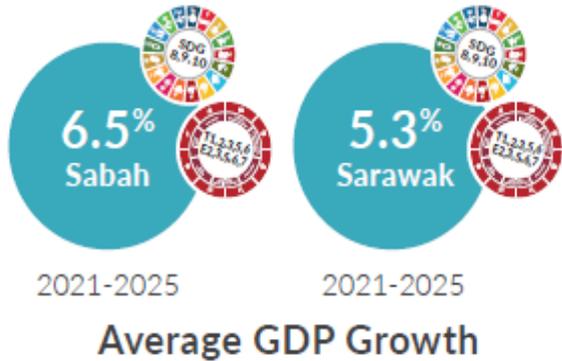
# Selected targets under THEME II – Chapter 7

## Solidifying Provision of Infrastructure



# Selected targets under THEME II – Chapter 7 (cont.)

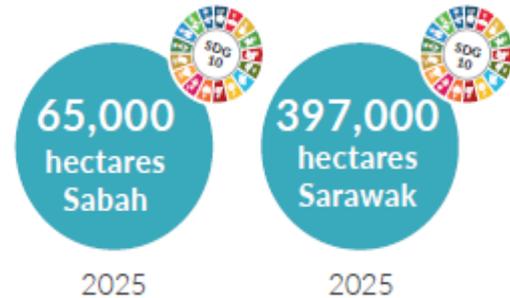
## Optimising Economic Potential



## Improving Access to Social Services



## Enhancing Inclusive Development



Houses Constructed and Repaired for the Poor Households in Sabah and Sarawak

Mapping of Native Customary Rights (NCR) Land

THEME I

THEME II

**THEME III**

Policy  
Enablers

1

2

3

4

**THEME III**

**Advancing Sustainability**



- Focuses on advancing green growth as well as enhancing energy sustainability and transforming the water sector



## THEME III: Advancing Sustainability

	Total
Chapter	2
Priority Area	5
Strategy	19
Initiative	65

- The Government will continue to address climate change across all sectors. **Malaysia's commitment to the Paris Agreement of the UNFCCC to reduce up to 45% GHG emissions intensity to GDP by 2030 based on emissions intensity in 2005.**
- More **private sector companies** will be encouraged to **declare their aspiration to achieve net zero carbon emissions by 2050.**
- **A Nationally Determined Contribution roadmap will be developed to devise specific mitigation action plans in fulfilling the country's commitment to the Paris Agreement.** The roadmap will specify the amount of emissions that need to be reduced from each of the key GHG emitting sectors.
- **A feasibility study will be conducted on carbon pricing,** such as carbon tax and the Emission Trading Scheme. The study will recommend the most suitable carbon taxation system to incentivise the right behavioural changes and introduce a platform for carbon trading.
- The private sector will be **urged to adopt recognised green certification\*** and performance tools for new development projects as well as renovation and retrofitting works.

Note: \*Sustainable INFRASTAR, Malaysian Carbon Reduction and Environmental Sustainability Tool (MyCREST) and Malaysia Green Highway Index



## THEME III: Advancing Sustainability (cont.)

- The usage of green vehicles, which reduce air pollution and GHG emissions, and increase energy efficiency, as a preferred mode of transport will be promoted to drive the transition to green mobility. **Incentives provided to local manufacturers to produce green vehicles and the purchase of these vehicles by consumers will be reviewed.** In addition, an **energy-efficient driving programme\*** for all classes of vehicles will be made mandatory.
- **The B20 biodiesel programme** that contains 20% palm methyl ester will be expanded throughout the country in stages, while the **B30 programme will be introduced** at the end of the Twelfth Plan to further increase the use of biofuel.
- **The private sector will be encouraged to invest in advancing next generation vehicles, technologies and supporting infrastructure,** such as energy-efficient, hydrogen-powered and electric vehicles, and their charging stations. In relation to this, triple-helix collaboration will be intensified, while **the green-related incentive schemes will be enhanced.** These schemes include the **Green Technology Financing Scheme (GTFS), Green Investment Tax Allowance (GITA) and Green Income Tax Exemption (GITE).**

Note: \*Training that incorporates energy-efficient driving techniques as a requirement to obtain driving licenses and permit applications

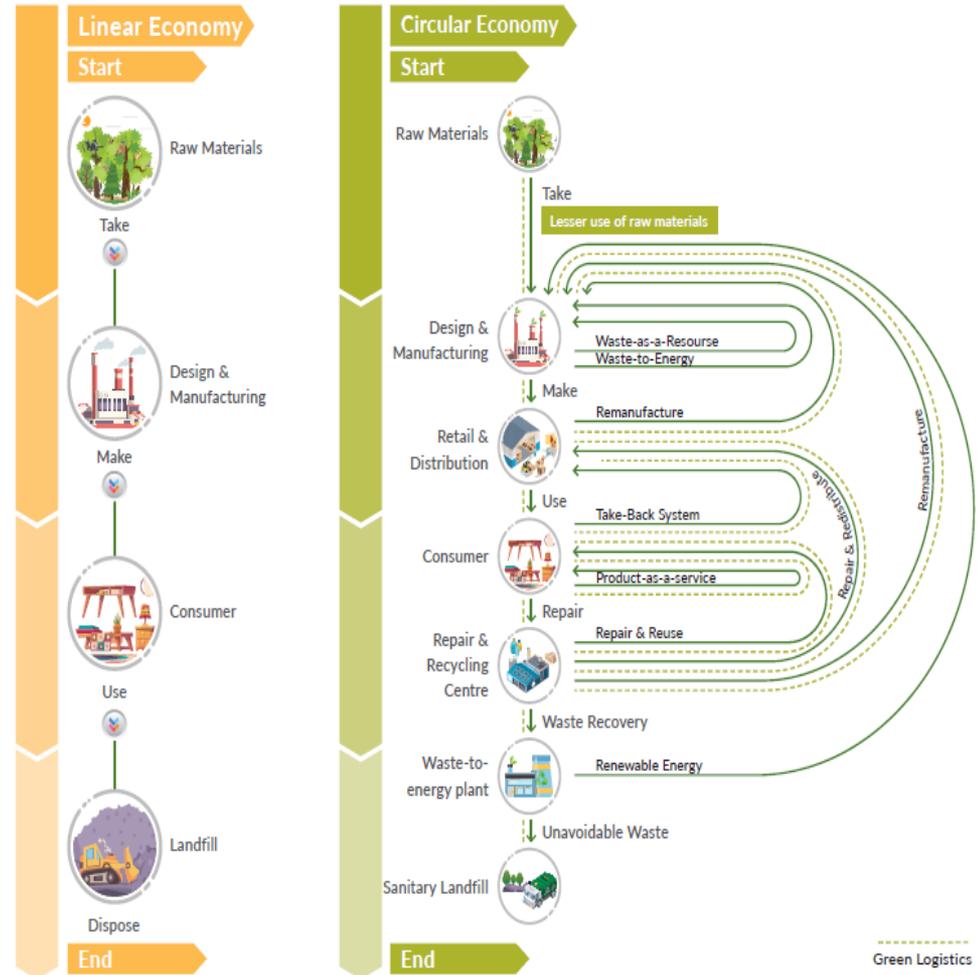


# THEME III: Advancing Sustainability (cont.)

## Accelerating Transition to the Circular Economy

- Businesses, especially MSMEs, will be encouraged to **adopt the circular economy concept in the design, production, logistics, consumption and waste management of products and services.**
- Adoption of green technology in industries will result in more efficient resource-use and production cost savings.
- In the circular economy, optimisation strategies will entail increased recycling of production waste and use of recycled materials in creating new products as well as reverse logistics.

## Linear Economy vs. Circular Economy





## THEME III: Advancing Sustainability (cont.)

- Companies **undertaking local waste recycling activities** that are high-value added and use green technologies **are eligible for Pioneer Status or Investment Tax Allowance under the Promotion of Investments Act 1986**. These activities include the recycling of agricultural waste or agricultural by-products, recycling of toxic or non-toxic waste, recycling of chemical and reclaimed rubber as well as the production of reconstituted wood-based panel boards or products.
- **A new regulation on household electrical and electronic waste (e-waste) will be introduced to implement the Extended Producer Responsibility (EPR) for e-waste.** Implementation of EPR will be supported through the take-back system by producers or brand owners as well as the adoption of the user-pay and polluter-pay principles.
- **New policies, legislation and blueprints will be formulated, while existing ones will be reviewed and benchmarked against international standards and best practices.** The National Policy on the Environment 2002, the National Policy on Climate Change 2009 and the National Policy on Biological Diversity 2016-2025 will be reviewed to ensure coherence and comprehensiveness. This is to address emerging environmental issues and support implementation of the clean, green and resilient development agenda.

*Note: \*Training that incorporates energy-efficient driving techniques as a requirement to obtain driving licenses and permit applications*



## THEME III: Advancing Sustainability (cont.)

- **Increasing Renewable Energy Installed Capacity.** A new mechanism for green energy will be explored to **encourage corporate consumers to buy energy directly from RE generators** to meet their Environmental, Social and Governance (ESG) commitment.
- Existing legislation will be strengthened to intensify measures in reducing water pollution. In this regard, **several laws will be revised to regulate emerging pollutants and increase penalties based on the polluter-pays principle.**
- **Innovative financing mechanisms will be explored to reduce dependence on government funds for water sector development.** The establishment of a licensed entity to build new sewerage infrastructure through alternative financing models will be considered. **The private sector will also be encouraged to invest in water sector transformation projects** such as wastewater resource recovery and smart technology applications.



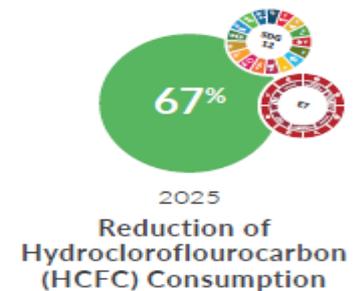
## THEME III: Advancing Sustainability (cont.)

### SERC's comments:

- *None of the countries is able to afford the damage caused by unpredictable environmental events such as earthquake and tsunami. In April 2021, Swiss Re Institute published “The economics of climate change: no action not an option”. Their findings revealed that Malaysia’s GDP losses of 4.8% in case of below 2 degrees Celsius rise and 22.3%-46.2% in severe scenario (2-3.2 degrees Celsius increase).*
- *SERC found that the Twelfth Plan is putting more efforts to tackle the climate change and to promote green growth. Several laws such as Act 127 will be reviewed to regulate emerging pollutants. Heavy penalty will be imposed to curb illegal waste operators. To prevent production disruption from environmental enforcement agencies, local players must take action now to integrate 3R (Reduce, Reuse, and Recycle) approach into business model.*
- *Green practices will become one of key element to apply financing and to seek for project collaboration in the near future. SMEs should start to emphasize on green and sustainable products, which are produced by recycled and environmental safer materials and manufactured using ethically sourced labour. Nielsen Insights (2019) revealed that 73% of consumers from around the world say that they would change their consumption habits to reduce their impact on the environment. 41% of global consumers stated that they are willing to pay more for products that contain all-natural or organic ingredients.*

# Selected targets under THEME III – Chapter 8

## Low-Carbon, Clean and Resilient Development



## Managing Natural Resources Efficiently



## Strengthening the Enabling Environment for Effective Governance

Malaysia's Nationally Determined Contribution to the Paris Agreement of the United Nations Framework Convention on Climate Change to reduce up to 45% greenhouse gas (GHG) emissions intensity to GDP by 2030 based on emissions intensity in 2005.a



-  Target
-  SDG
-  WKB 2030

# Selected targets under THEME III – Chapter 9

## Ensuring Sustainable Energy For All



Introduction of a Comprehensive National Energy Policy



Establishment of OGSE Industry Blueprint



Framework for Establishment of Regional Gas Market Hub



Reduction in Electricity Consumption

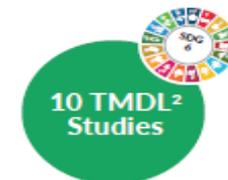


Renewable Energy of Total Installed Capacity

## Transforming the Water Sector



Coverage of Access to Clean and Safe Water in Rural Area



Total Maximum Daily Load Study Conducted for Critical Rivers



Establishment of an Integrated Centre for Water Data and R&D&C&I



Non-Revenue Water Level



Coverage of Safely Managed Sanitation System in Rural Area



THEME I

THEME II

THEME III

**Policy Enablers**

1

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4

## Policy Enabler 1

### Developing Future Talent



- Realigning the labour market in meeting industry demand and further improving the quality of education



# Policy Enabler 1: Developing Future Talent

- Developing future-ready talent is vital to **meet the changing skills** and to **embrace the rapid technology change**. More emphasis will be given to **raise the quality of education and training programmes, leverage emerging technology, ensure equitable learning outcomes and address overlap TVET governance**.

	Total
Chapter	1
Priority Area	2
Strategy	7
Initiative	22

## Key salient points

### Facilitating Labour Force Participation

- Efforts will be undertaken to **reduce the dependency on foreign workers** and **promote greater local participation** in the labour market. The efforts will include **reviewing the multi-tier levy mechanism every two years** to make it more business-friendly. **This mechanism is scheduled to be implemented by 1 January 2022.**
- The **excess levy collected through the implementation of multi-tier levy mechanism** will be channelled to industry for the **purpose of increasing job opportunities and implementing upskilling and reskilling programmes for locals.**
- **Enforcement under** the Employees' Minimum Standard of Housing, Accommodations and Amenities Act 1990 **[Act 446] will be enhanced** to ensure employers provide safe and suitable accommodation to the workers.



# Policy Enabler 1: Developing Future Talent (cont.)

## Facilitating Labour Force Participation (cont.)

- The salary scale of **expatriates in all categories will be revised upwards** to ensure that only **jobs with skillsets that are not available locally** are offered to expatriates.
- **To increase female labour force participation rate (FLFPR). A new law will be introduced to mandate employers to provide childcare facilities**, of which penalties will be imposed for those who failed to comply.

## Raising the Quality of Education

- **Compulsory schooling will be extended to 11 years** by making **secondary education compulsory for all Malaysian citizens** to improve the enrolment of students at the lower and upper secondary levels that is in line with the Malaysia Education Blueprint 2013-2025.
- A **student tracking system** (preschool to upper secondary levels) will be established to monitor the mobility of students in **reducing the dropout rate from the education system**.
- **All English language teachers will be required to attain at least C1 level in the Common European Framework of Reference for Languages (CEFR)** whilst **lecturers of English language at IPG will be required to obtain C2 level in CEFR**.



# Policy Enabler 1: Developing Future Talent (cont.)

## Strengthening Industry Collaboration

- HEIs will be encouraged to **strengthen collaboration with industry players in research, development, commercialisation and innovation (R&D&C&I) activities**. Allocation for Research University (RU) and Higher Institution Centre of Excellence (HICoE) as well as Fundamental Research Grant will continue to be provided to intensify R&D activities as well as develop research-inspired teaching and learning activities.

## Technical and Vocational Education and Training (TVET)

- **The Teaching Factory model will be rolled out to more TVET institutions** to enable students to use industry equipment on campuses.
- **A TVET database will be established to enable big data analytics (BDA) to support effective policy formulation and programme development and delivery**. This database will be a platform to harmonise, centralise and integrate all data pertaining to TVET pathways, jobs as well as job matching. This database can be accessed by ministries, industries, instructors, prospective trainees and public based on compliance with classified data security.



## Policy Enabler 1: Developing Future Talent (cont.)

### SERC's comments:

- *The CEFR is one of the frameworks that describe a person language proficiency, particularly in an academic setting. SERC found that English language teachers to have a CEFR C1 qualification in the language is merely to ensure that English language teachers achieve a certain standard that they are able to strengthen and improve their student's proficiency through classroom teaching and learning. The expansion of CEFR to all stages of education is crucial as English is a major business language and recognized as an official language in 67 countries and 27 non-sovereign entities.*
- *In addition, the Malaysian University English Test (MUET) is aligned with the CEFR shows that CEFR expanded to all stages of education is possible to become an evaluation of English proficiency at the end of secondary and primary school levels. Ministry of Education Ministry needs to examine the standards of CEFR for ensuring the needs are suitable for their level and age.*

# Selected targets under Policy Enabler 1 (Chapter 10)

## Realigning Labour Market



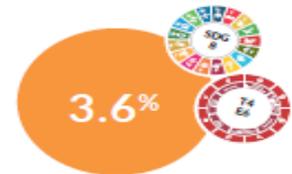
2025

Compensation of Employees to GDP



2025

Monthly Median Salaries and Wages



2021-2025

Labour Productivity Growth per Worker

## Developing Future-Ready Talent



2025

PISA and TIMSS Score



2025

Enrolment of Preschool Students



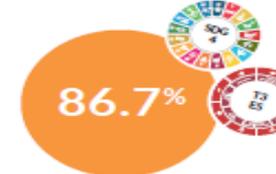
2025

Enrolment of Secondary School Students



2025

Intake of SPM Leavers or Equivalent into TVET Programmes



2025

Graduate Employability in HEIs and Public TVET Institutions



2025

Public Universities in Top 100 of the QSWUR



THEME I

THEME II

THEME III

**Policy Enablers**

1

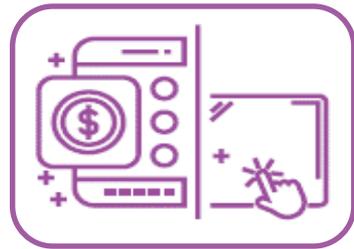
**2**

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## Policy Enabler 1

### Accelerating Technology Adoption and Innovation



- Focuses on hastening digitalisation and promoting the adoption of new and advanced technology in all sectors to ensure sustainable economic growth



## Policy Enabler 2: Accelerating Technology Adoption and Innovation

- The advancement of technology and the ever-changing global economy has highlighted the urgency for the nation to adopt a more agile and proactive approach in moving towards a high technology-based economy. Initiatives such as **advance the digital economy, mainstreaming digitalisation for inclusive development, accelerating Research, Development, Commercialisation and Innovation (R&D&C&I)** are expected to enhance national competitiveness and resilience.

	Total
Chapter	1
Priority Area	4
Strategy	9
Initiative	23

### Key salient points

- Malaysia Cyber Security Strategy (MCSS) will emphasise enhancing the effectiveness of national cyber security governance through collaboration between agencies, industry and academia and adopting best practices and effective technologies. The **cyber security legal framework** will continue to be **strengthened** and the **Cyber Security Act will be enacted**.
- To accelerate the growth of the sharing economy, standards based on **ISO International Workshop Agreement: Guiding principles and framework for the sharing economy (ISO-IWA 27:2017)** will be adopted.



## Policy Enabler 2: Accelerating Technology Adoption and Innovation (cont.)

- Initiatives will be established to promote sharing economy activities, including the **gig economy among local communities to supplement their incomes**. Partnerships between sharing economy players and TVET institutions will be developed to provide training programmes for the rural population.
- The **National eCommerce Strategic Roadmap 2.0 (2021-2025)** will be implemented to spur eCommerce activities. A **national e-Invoicing framework** will also be developed to enable trade partners to seamlessly transact using digital mechanisms, particularly the export of digital products and services.
- **Data sharing** between the government, government agencies and the private sectors will be developed to **enable data-driven decision making** and improve **accountability, impartiality, transparency and openness**.
- **One-stop service centres** will be established to guide and facilitate the on-boarding of the **Micro, Small and Medium Enterprises (MSMEs)** to venture into business and go global. A **comprehensive database** will also be developed to enhance the planning and monitoring of the MSMEs development.
- The newly formed **Research Management Unit (RMU)** will coordinate and harmonise the funding mechanism for all R&D&C&I activities in ensuring these activities are in line with national priorities.



## Policy Enabler 2: Accelerating Technology Adoption and Innovation (cont.)

- **Fourth Industrial Revolution (4IR) innovation parks** will be established to provide a secure testbed and pool together 4IR technology providers to stimulate new technology breakthroughs. The parks, supported by **5G-enabled key services**, among others **cloud computing and supercomputers**, will provide access for MSMEs and innovators to develop products and solutions utilising emerging technologies such as **AI, IoT and big data analytics**.
- The **World Economic Forum (WEF) Centre for 4IR** will be established in Malaysia using the quadruple helix model involving government, industry, academia and society to co-design the policy framework and governance mechanism through global collaboration.
- The **National Technology and Innovation Sandbox (NTIS) initiatives** will be developed to allow researchers, innovators, start-up companies and high-tech entrepreneurs to test their innovation in a live environment. The Malaysia Commercialisation Year 2.0 (MCY 2.0) programme will be enhanced to increase commercialisation and improve the transfer rate of R&D outputs from lab to market.
- A **standardised intellectual property rights (IPR) valuation and licensing framework** will be established to facilitate fair valuation and ensure the **successful commercialisation of IPR produced by universities and research institutions**.



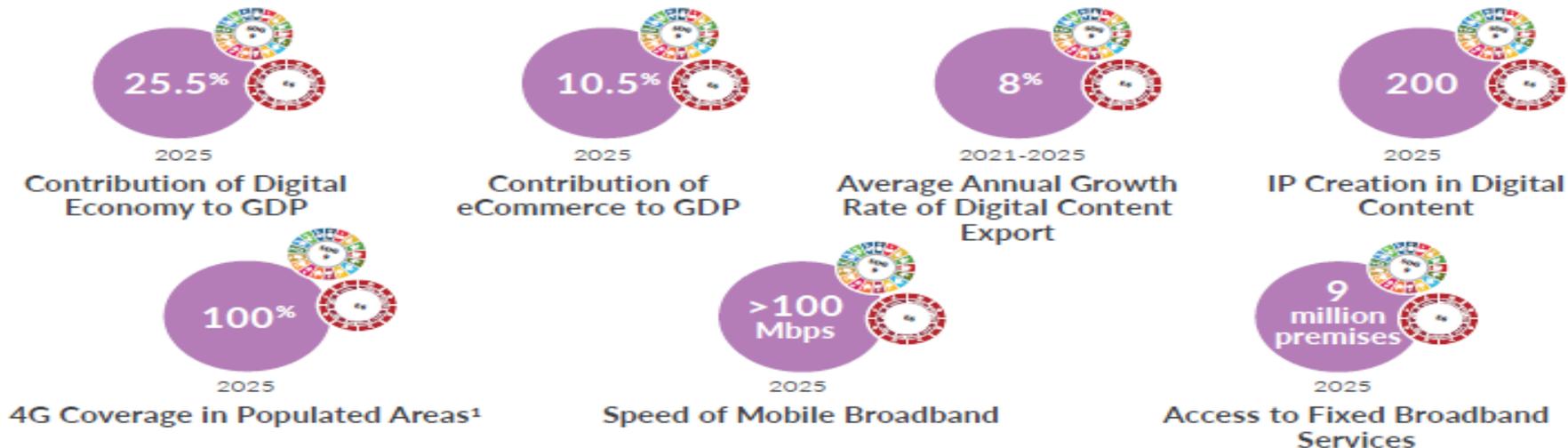
## Policy Enabler 2: Accelerating Technology Adoption and Innovation (cont.)

### SERC's comments:

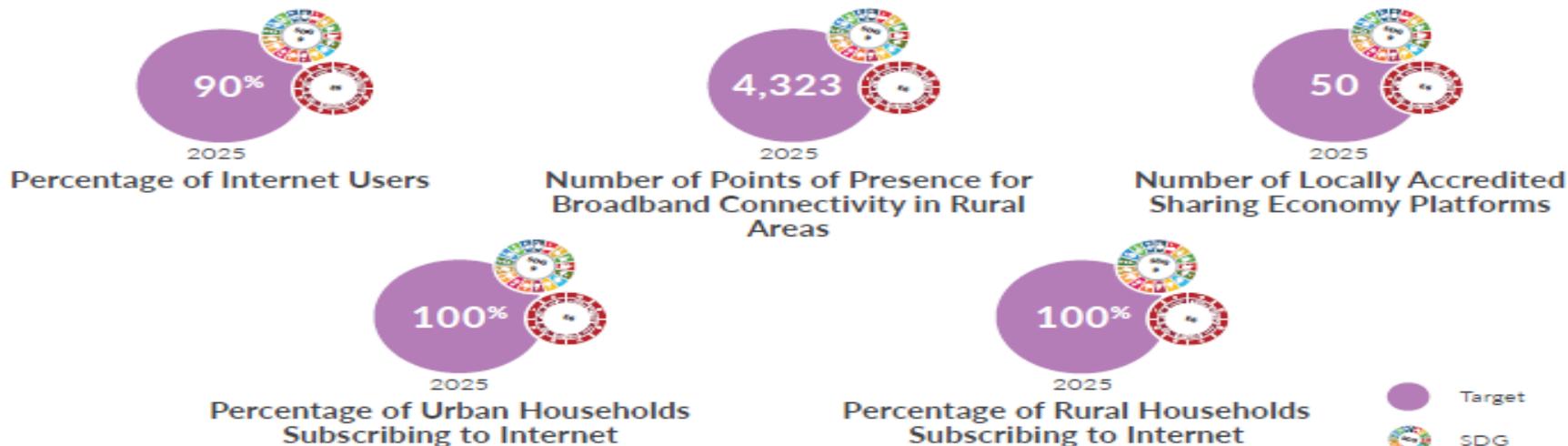
- *It is crucial to accelerate the adoption of digitalisation and 4IR technologies to attract more foreign direct investment especially, investments in new technologies, including in the development of digital systems. The increased awareness of digital adoption by MSMEs is needed to increase their competitiveness, readiness to go global and increase the Malaysian companies' penetration into the international market.*
- *E-commerce application, online marketing tools such as analytics & order tracking systems, shipping service integration, ERP system etc that support e-Commerce activities, should be allowed for tax exemption up to RM50,000 per company.*
- *All the industrial parks should be equipped with high speed internet infrastructure to enhance business operations.*

# Selected targets under Policy Enabler 2 (Chapter 11)

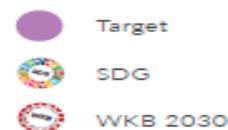
## Advancing Digital Economy



## Mainstreaming Digitalisation for Inclusive Development

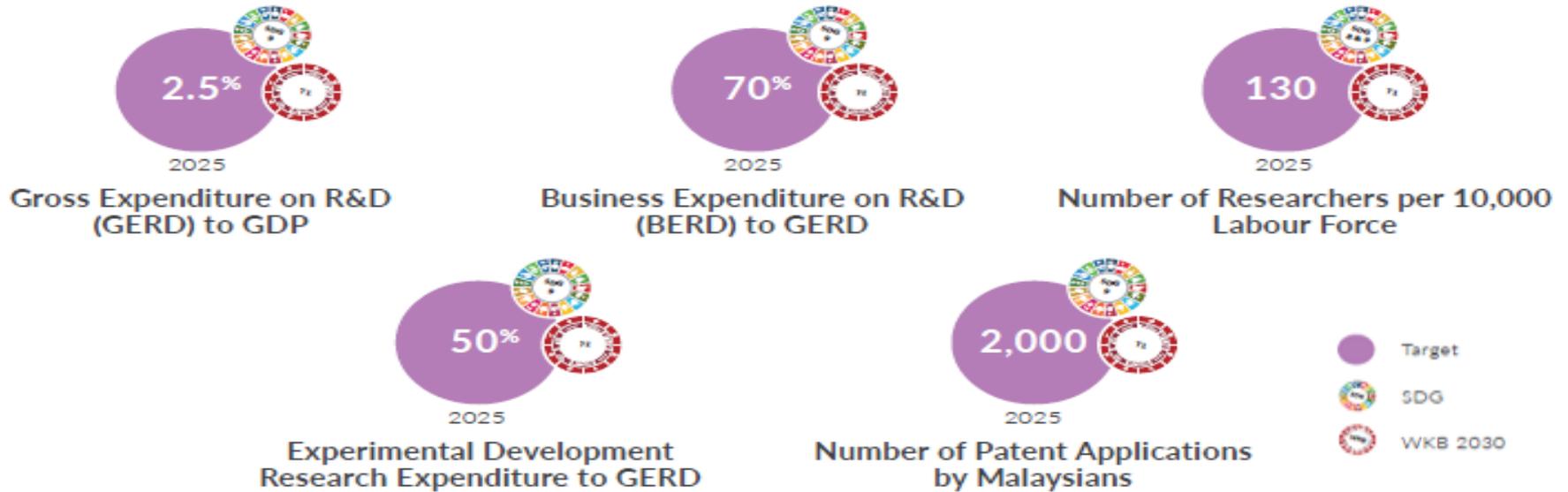


<sup>1</sup> Inclusive of the utilisation of appropriate technologies, which include broadband, fixed-wireless and satellites.



# Selected targets under Policy Enabler 2 (Chapter 11) (cont.)

## Accelerating Research, Development, Commercialisation and Innovation



## Capitalising on Advanced Technology Potential



THEME I

THEME II

THEME III

**Policy Enablers**

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## Policy Enabler 3

### Enhancing Connectivity and Transport Infrastructure



- Focuses on the efficiency of transport and logistics infrastructure to provide safe, reliable, affordable and sustainable services



## Policy Enabler 3: Enhancing Connectivity and Transport Infrastructure

	Total
Chapter	1
Priority Area	3
Strategy	6
Initiative	20

- **Infrastructure at primary public transportation nodes will be upgraded** to facilitate the use of micro-mobility vehicles for first- and last-mile connectivity.
- **To increase usage of public transport**, measures such as **limiting parking spaces** and **imposing higher parking charges** in areas with good public transport connectivity will also be implemented to manage the inflow of private vehicles into city centres.
- **Proper parking facilities** for prime movers will be provided to **ease congestion during peak hours in the ports**. **Facilities and equipment of ports will be upgraded** while processes will be reviewed to increase overall efficiency and competitiveness.
- **The uCustoms**, a single-window transaction platform, **will be fully operationalised** to further improve the ease of doing business by **providing a web based, electronic end-to-end solution**. The platform will enable permit issuing agencies (PIAs) to use uniformed operating procedures. It will also enable cost savings and remote working.
- **The Green Transport Index will also be introduced** to promote clean and sustainable transport systems as well as resilient infrastructure for efficient mobility.

Note: \*Micro-mobility refers to the joining up of every different form of transport, especially smaller vehicles to ensure the journey is quick and as easy as possible, particularly for the first- and last-mile.



## Policy Enabler 3: Enhancing Connectivity and Transport Infrastructure (cont.)

- **A national port committee**, which comprises representatives from port authorities and operators, **will be established to coordinate the planning of ports development and develop standard operating procedures (SOPs) for port operations.** The committee will also harmonise regulations and share best practices to increase operational efficiency and create a more conducive port environment.
- **The Weigh-in-Motion (WIM) system will be used to improve enforcement of overloaded movers.** The system will automatically capture and record gross vehicle weights as vehicles drive over a fixed measurement site, reducing the number of personnel required. The WIM system can also support mobile enforcement to increase coverage.
- **The current model for existing and new highway development will be reviewed.** The government will explore options to ensure the viability of existing and future highway projects. **The Highway Network Development Plan (HNDP) 2030 will provide a mechanism for prioritising new highways and available funding options.**
- **The Low Carbon Mobility Blueprint** will be implemented to minimise unsustainable movement patterns. In the aviation sector, it will include developing cleaner fuel standards, which comply with the Carbon Offsetting and Reduction Scheme for International Aviation (CORSA) by International Civil Aviation Organisation (ICAO). In the land transport sector, the use of low carbon alternatives such as energy-efficient vehicles, hybrid and electric vehicles will be promoted.



## Policy Enabler 3: Enhancing Connectivity and Transport Infrastructure (cont.)

### SERC's comments:

- *“Encouraging Behavioural Shift from Private to Public Transport” is one of strategy under Policy Enabler 3. As of now, railway (e.g. LRT or MRT) is the best way to ride within the city either during hot weather or raining seasons. Unfortunately, not every single location in city is covered by a seamless rail transport. Certain locations must take bus ride and the users may end up to face a long-hour traffic jam on the roads. This is one of the key deterrent for “Rakyat” not to take public transport. Malaysia needs to implement some unique public transportation to connect the “missing puzzles” in city with the current railway system. SERC suggests that the government can consider to integrate tram, aerial tramways and underground moving footpath into public transport system.*

# Selected targets under Policy Enabler 3 (Chapter 12)

## Ensuring Integrated, Affordable, Reliable and Seamless People Mobility



2021-2025

Annual Growth of Public Transport Ridership in GKL/KV



2025

Increase in Air Transport Passengers

## Driving Transport and Logistics Industry Towards Competitiveness



2025

Ranking in the World Container Port's Report



2025

Ranking in the World Bank Logistic Performance Index



2025

Increase in Cargo Volume via Rail, in Northern, Central and Southern Regions

## Strengthening Institutional and Regulatory Framework



2025

Standardised Warehouse Regulation



2025

Formulation of Green Transport Index

● Target

● SDG

● WKB 2030

THEME I

THEME II

THEME III

Policy Enablers

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## Policy Enabler 4

### Strengthening the Public Service



- Support all themes and other policy enablers in promoting the wellbeing of the *rakyat* as well as ensuring Malaysia's continuous socioeconomic development



## Policy Enabler 4: Strengthening the Public Service

- **A single-window recruitment platform for the public service will be developed** to better coordinate recruitment systems. This platform will improve the efficiency of the recruitment process by matching candidate profiles with suitable vacant positions.
- **Improving Government Administration.** There is a need to have a clear demarcation of powers and responsibilities between members of the administration and civil servants. A **Public Service Act** will be introduced to ensure more effective checks and balances between executive, legislative and judicial powers.
- **Structures and functions of ministries and agencies will be reviewed and streamlined** to optimise resource allocation and enhance efficiency of the public service. **A special committee will be established** to coordinate and minimise various overlapping structures and functions between ministries and agencies.
- **The Statistics Act 1965 is being reviewed** to empower the Department of Statistics Malaysia (DOSM) in **collecting and coordinating data from the public and private sectors**. This review will strengthen the country's statistical system and empower DOSM in producing high-quality official statistical information to enable better quality decision-making.

	Total
<i>Chapter</i>	1
<i>Priority Area</i>	3
<i>Strategy</i>	7
<i>Initiative</i>	25



## Policy Enabler 4: Strengthening the Public Service (cont.)

- **The Malaysian Governance Index will be introduced** to measure the country's governance performance as well as **to emphasise good governance among public institutions**. All these efforts will enhance public perception of the Government, thus improving Malaysia's ranking in the Corruption Perceptions Index (CPI).
- **Enhancing Budgeting Transparency**. The Pre-Budget Statement and Mid-Year Review report will be published. The publication of these documents will provide the rakyat with a more detailed insight into the national economic situation and fiscal status. This will increase Malaysia's score in the Open Budget Index.
- The Government is committed to ensure sound and sustainable public finance management. In this regard, **the Fiscal Responsibility Act (FRA) will be introduced** during the Twelfth Plan to enhance fiscal discipline as well as improve fiscal governance and transparency.
- The **Public-Private Partnership Policy (PPP) framework will be improved** to ensure efficiency and transparency in the implementation of PPP projects. **A new PPP blueprint will be introduced to replace the existing 1991 Privatisation Master Plan**. The blueprint will provide a comprehensive PPP policy framework, which includes the revision of implementation and financing models as well as terms and conditions to ensure a fairer sharing of risks and benefits between the public and private sectors.



## Policy Enabler 4: Strengthening the Public Service (cont.)

### SERC's comments:

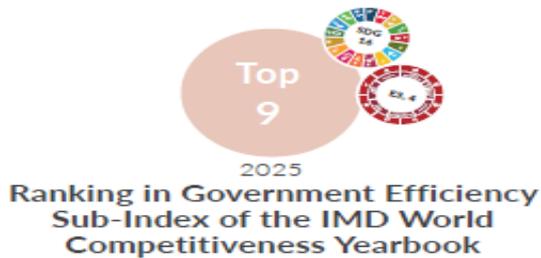
- *The transparency of Budget planning and adherence of fiscal discipline will enhance investors' and businesses' confidence on the management of sound public finances as well as to minimise leakage and wastage of public resources.*
- *The Pre-Budget Statement is a step in the right direction to make public disclosure on the fiscal status. It is suggested that State governments can also adopt the practise of budget transparency. Hence, Federal Government should establish a website to publish the details of all state government's financial position (revenue, operating expenditure and development expenditure as well as financing).*

# Selected targets under Policy Enabler 4 (Chapter 13)

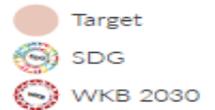
## Developing High-Performing Civil Service



## Advancing Whole-of-Government Approach



## Enhancing Budgeting and Project Management



# Conclusion

- In continuation with the Vision 2020's aspiration to achieve a high-income nation in 2025, the 12 MP, covering three development dimensions - economic empowerment, environmental sustainability and social re-engineering will further crystalize the implementation of the Shared Prosperity Vision 2030 (SPV 2030).
- The 12MP has outlined initiatives, transformational programs, economic and institutional reforms (4 enablers and 14 game changers) to reset the COVID-19 pandemic's battered economy; accelerate economic and industrial transformation, achieve inclusive growth and strengthen competitiveness, while also create the foundations for higher long-term sustainable growth.
- Developing future talent, accelerating technology adoption and innovation, enhancing connectivity and transport infrastructure, as well as strengthening the public delivery services are important enablers for Malaysia to realise these long-term aspirations.
- The national development goals will not comprise on environment sustainability. Advancing sustainability focuses on advancing green growth, enhancing energy sustainability, and transforming the water sector will be given an important priority in the 12MP. Private sector investments particularly with Environmental, Social and Governance (ESG) elements will be encouraged to support green economy agenda.

# Conclusion

- Much of the economic dividends and outcomes can be achieved through good planning and strong implementation capacity as well as better coordination among inter-Ministries and governmental agencies. The Government can consider to embed an annual monitoring and evaluation report for public disclosure so as to enable quicker revision of targets and key performance indicators and implement intermittent policy responses and adjustments.

# Appendix

THEME	Chapter	Description
<b>I</b>		<b>Resetting the Economy</b>
	2	Restoring Growth Momentum
	3	Propelling Growth of Strategic and High Impact Industries as well as Micro, Small and Medium Enterprises
<b>II</b>		<b>Strengthening Security, Wellbeing and Inclusivity</b>
	4	Enhancing Defence, Security, Wellbeing and Unity
	5	Addressing Poverty and Building an Inclusive Society
	6	Improving Regional Balance and Inclusion
	7	Enhancing Socioeconomic Development in Sabah and Sarawak
<b>III</b>		<b>Advancing Sustainability</b>
	8	Advancing Green Growth for Sustainability and Resilience
	9	Enhancing Energy Sustainability and Transforming the Water Sector
Policy Enable	Chapter	Description
<b>1</b>		<b>Developing Future Talent</b>
	10	Developing Future Talent
<b>2</b>		<b>Accelerating Technology Adoption and Innovation</b>
	11	Boosting Digitalisation and Advanced Technology
<b>3</b>		<b>Enhancing Connectivity and Transport Infrastructure</b>
	12	Enhancing Efficiency of Transport and Logistics Infrastructure
<b>4</b>		<b>Strengthening the Public Service</b>
	13	Strengthening Public Sector Service Delivery

# Appendix (cont.)

		Priority Area	Strategy	Initiative
THEME 1	Chapter 2	Boosting Productivity Growth	Strengthening the Planning, Evaluation and Monitoring Mechanism	<ul style="list-style-type: none"> <li>Strengthening the Planning, Evaluation and Monitoring Mechanism</li> <li>Promoting Evidence-Based Policy Making</li> <li>Improving Programme Evaluation and Monitoring</li> </ul>
			Moving up the Value Chain	<ul style="list-style-type: none"> <li>Moving up the Value Chain</li> <li>Improving Operational and Production Process</li> <li>Increasing High Value-Added Activities</li> <li>Adopting Technology in New Product Development</li> <li>Accelerating Talent Development</li> </ul>
			Strengthening Financial Capability	<ul style="list-style-type: none"> <li>Enhancing Incentives and Financial Assistance</li> <li>Introducing New Financing Mechanism and Incentives for Technology Adoption</li> </ul>
			Scaling Up Successful Productivity Nexus	<ul style="list-style-type: none"> <li>Expanding the Coverage of Productivity Nexus</li> <li>Enhancing Effectiveness of Productivity Nexus Initiatives</li> </ul>
			Scaling Up Green Practices	<ul style="list-style-type: none"> <li>Accelerating the Adoption of Green Practices among Industries</li> <li>Enhancing Implementation Mechanisms for Green Practices</li> </ul>
	Expanding Export Markets		Improving Market Efficiency	<ul style="list-style-type: none"> <li>Connecting Suppliers and Consumers through Digital Platforms</li> <li>Enhancing Supply Chain Sustainability</li> <li>Positioning Malaysia as a Regional Logistics Hub</li> </ul>
			Empowering Industry to Compete in the Domestic and Global Markets	<ul style="list-style-type: none"> <li>Encouraging Collaboration among Industry</li> <li>Scaling Up Capacity and Capability of Industry Players</li> </ul>
			Strengthening Trade Facilitation	<ul style="list-style-type: none"> <li>Leveraging Trade Agreements</li> <li>Intensifying Marketing and Exports Promotion</li> </ul>

# Appendix (cont.)

		Priority Area	Strategy	Initiative
THEME 1 (cont.)	Chapter 2 (cont.)	Strengthening the Effectiveness of Financial Intermediation Ecosystem	Transforming the Financial Ecosystem to Meet Future Economic Needs	<ul style="list-style-type: none"> <li>Promoting Innovation and Competitiveness to Enhance Efficiency</li> <li>Facilitating More Financing across Business Life Cycle</li> </ul>
			Enhancing the Resilience and Governance of the Financial System	<ul style="list-style-type: none"> <li>Strengthening Safeguards for Financial Stability</li> <li>Enhancing Good Governance in the Financial Sector</li> </ul>
			Promoting a Sustainable and Inclusive Financial System	<ul style="list-style-type: none"> <li>Promoting the Islamic Finance Agenda</li> <li>Advancing the Financial Inclusion and Literacy Agenda</li> <li>Enhancing Sustainable Financial Services</li> </ul>
		Strengthening the Role of Industrial Estates and Food Production Areas	Enhancing the Role of Industrial Estates and Food Production Areas as Growth Catalyst	<ul style="list-style-type: none"> <li>Enhancing Industrial Estates Development and Management</li> <li>Strengthening Provision of Incentives and Financial Assistance</li> </ul>
			Achieving Balanced Industrial Development	<ul style="list-style-type: none"> <li>Promoting Equitable Industrial Development</li> <li>Improving Industrial Distribution for Balanced Development</li> </ul>
		Improving Governance and Policy	Strengthening Coordination and Collaboration	<ul style="list-style-type: none"> <li>Enhancing the Effectiveness of Existing Mechanism</li> <li>Encouraging Sharing of Data and Resources</li> </ul>
			Enhancing Institutional Roles and Functions	<ul style="list-style-type: none"> <li>Establishing a Dedicated Authority and Institutional Framework</li> <li>Reforming Existing Institutions</li> </ul>
			Strengthening Policies and Legislation	<ul style="list-style-type: none"> <li>Developing New and Reviewing Existing Policies for Sectoral Development</li> <li>Strengthening Legislation</li> </ul>

# Appendix (cont.)

THEME 1 (cont.) Chapter 3	Priority Area	Strategy	Initiative
	Accelerating the Development of Strategic and High Impact Industries	Boosting Electrical and Electronics Industry in Moving up the Value Chain	<ul style="list-style-type: none"> <li>• Strengthening the Electrical and Electronics Industry Ecosystem for Higher Value Chain</li> <li>• Promoting High Adoption of Technology</li> <li>• Uplifting the Development of Talent and Capability</li> <li>• Enhancing Research and Development as well as Design and Development</li> </ul>
		Enhancing Competitiveness of Global Services	<ul style="list-style-type: none"> <li>• Instituting Clear and Supportive Policies, Regulations and Business Environment</li> <li>• Enhancing Talent and Capability of Global Service Providers</li> <li>• Improving Digital Infrastructure</li> <li>• Enhancing Air Connectivity to Major Cities</li> </ul>
		Establishing a Sustainable Aerospace Industry	<ul style="list-style-type: none"> <li>• Developing a Sustainable Aerospace Ecosystem</li> <li>• Clustering and Zoning of Aerospace Activities for Balanced Industry Growth</li> <li>• Establishing an Aerospace Digital System</li> <li>• Venturing into Sustainable Energy</li> </ul>
		Maximising the Potential of the Creative Industry	<ul style="list-style-type: none"> <li>• Developing a Holistic Creative Industry Ecosystem</li> <li>• Upskilling Talent to Match Industry Needs</li> <li>• Strengthening Product Development and Promotion</li> </ul>
		Re-energising the Tourism Industry	<ul style="list-style-type: none"> <li>• Restoring Tourist Confidence</li> <li>• Enhancing Quality of Products and Services</li> <li>• Enhancing Sustainability of Tourism Products</li> <li>• Strengthening the Malaysia Brand and Marketing Strategies</li> <li>• Instituting Governance Reforms</li> <li>• Intensifying Domestic Tourism</li> </ul>
		Fostering Competitiveness of Inclusive Halal Industry	<ul style="list-style-type: none"> <li>• Uplifting the Development of Halal Talent</li> <li>• Establishing Halal Professional Recognition</li> <li>• Accelerating Halal Industry Development to Enhance Competitiveness</li> <li>• Improving Halal Product Competitiveness</li> <li>• Positioning Malaysia as a Global Halal Hub</li> </ul>

# Appendix (cont.)

		Priority Area	Strategy	Initiative
THEME 1 (cont.)	Chapter 3 (cont.)	Accelerating the Development of Strategic and High Impact Industries (cont.)	Intensifying Smart Farming Activities	<ul style="list-style-type: none"> <li>• Developing a Comprehensive Smart Farming Framework</li> <li>• Accelerating the Adoption of Modern Technologies</li> <li>• Improving Dissemination of Information on Technology and Talent Development</li> <li>• Enhancing Participation of Technology Providers</li> <li>• Empowering Local Communities</li> </ul>
			Realising the Potential of Biomass Industry	<ul style="list-style-type: none"> <li>• Formulating a Comprehensive Biomass Policy</li> <li>• Developing Local Technology through Research, Development, Commercialisation and Innovation</li> <li>• Accelerating the Development of High Value-added Products and Services</li> <li>• Promoting Utilisation of High Value-added Biomass Products</li> </ul>
	Boosting Capabilities of Entrepreneurs and Enterprises	Creating Innovative and Sustainable Entrepreneurs	<ul style="list-style-type: none"> <li>• Enhancing Entrepreneurship Development Programmes</li> <li>• Promoting Innovation-Driven Entrepreneurs</li> </ul>	
		Promoting Inclusive Participation through Micro, Small and Medium Enterprises, Cooperatives and Agriculture-based Associations	<ul style="list-style-type: none"> <li>• Increasing Micro, Small and Medium Enterprises Contribution to the Economy</li> <li>• Increasing Market Access and International Trade Opportunities</li> <li>• Capitalising Cooperatives, Agriculture-based Associations and Social Enterprises in Developing Entrepreneurs</li> </ul>	
		Creating a Conducive and Holistic Ecosystem for Entrepreneurship	<ul style="list-style-type: none"> <li>• Enhancing Governance, Regulations and Institutional Roles</li> <li>• Improving Access to Financing</li> </ul>	

# Appendix (cont.)

		Priority Area	Strategy	Initiative
THEME 2	Chapter 4	Ensuring National Security and Sovereignty	Safeguarding National Sovereignty	<ul style="list-style-type: none"> <li>Managing Threats from Illegal Immigrants and Activities at the Border</li> <li>Enhancing the Defence Capacity and Capability</li> </ul>
			Intensifying Efforts in Crime Prevention, Rehabilitation and Emergency Preparedness as well as the Welfare of Personnel	<ul style="list-style-type: none"> <li>Improving Crime Prevention</li> <li>Combatting Drug Abuse and Trafficking</li> <li>Curbing Trafficking in Persons</li> <li>Enhancing Management and Operation of Prisons</li> <li>Improving Emergency Preparedness</li> <li>Enhancing the Welfare of Malaysian Armed Forces and Enforcement Personnel</li> </ul>
			Strengthening Security Governance	<ul style="list-style-type: none"> <li>Strengthening the Role and Function of National Security Council</li> <li>Improving Legislation on Public Safety and Security</li> <li>Strengthening Anti-Corruption Measures</li> <li>Improving Coordination and Collaboration</li> <li>Enhancing Data Sharing and System Integration</li> </ul>
	Enhancing Healthcare Service Delivery	Redesigning the Healthcare Service	<ul style="list-style-type: none"> <li>Introducing Healthcare Policy</li> <li>Combatting Communicable Diseases</li> <li>Combatting Non-communicable Diseases</li> <li>Strengthening Healthcare Programmes for Older Persons</li> <li>Increasing Preparedness in Handling Health Crises</li> <li>Ensuring Quality and Accessibility of Healthcare Services</li> </ul>	
		Strengthening Financing and Awareness	Health and Public	<ul style="list-style-type: none"> <li>Ensuring Financial Sustainability for Healthcare</li> <li>Strengthening Health Protection</li> <li>Enhancing Health Literacy and Awareness</li> </ul>
		Leveraging Technology		<ul style="list-style-type: none"> <li>Digitalising Healthcare Services</li> <li>Improving Research, Development and Innovation Capacity</li> </ul>

# Appendix (cont.)

		Priority Area	Strategy	Initiative
THEME 2 (cont.) Chapter 4 (cont.)	Increasing the Supply of Quality Affordable Housing	Improving Access to Affordable Housing	<ul style="list-style-type: none"> <li>Increasing Supply of Affordable Housing for Target Groups</li> <li>Increasing Access to House Financing</li> <li>Managing Housing Construction Costs</li> <li>Capitalising Land Owned by Governments and Waqf Land</li> </ul>	
		Enhancing Governance	<ul style="list-style-type: none"> <li>Strengthening Institutional Capability to Build Affordable Houses</li> <li>Enforcing National Housing Standards</li> <li>Strengthening Rules and Regulations to Safeguard Homebuyers and Tenants</li> </ul>	
		Ensuring Inclusive Housing	<ul style="list-style-type: none"> <li>Ensuring Affordable Housing in New Township Development</li> <li>Adopting Best Practices to Enhance Liveability</li> </ul>	
	Leveraging Sports in Building an Active Nation	Promoting Sports for Active and Healthy Living	<ul style="list-style-type: none"> <li>Enhancing Accessibility to Sports Facilities</li> <li>Strengthening Community-Based Sports Bodies</li> <li>Promoting Inclusive Participation in Sports</li> </ul>	
		Enhancing Sports Excellence	<ul style="list-style-type: none"> <li>Strengthening Governance of High Performance Sports</li> <li>Enhancing Athletes Performance</li> <li>Improving Support Services for Sports</li> <li>Uplifting the Wellbeing of Athletes</li> </ul>	
		Developing Sports Industry	<ul style="list-style-type: none"> <li>Improving Sports Industry Ecosystem</li> <li>Promoting Sports Tourism</li> </ul>	
	Strengthening Unity for a Prosperous Nation	Embracing Diversity as an Asset	<ul style="list-style-type: none"> <li>Promoting Social Interaction</li> <li>Capitalising Educational Platforms</li> </ul>	
		Building a More Tolerant Society	<ul style="list-style-type: none"> <li>Strengthening Patriotism and Volunteerism</li> <li>Promoting Ethical Use of Digital Platform</li> </ul>	
		Strengthening Governance	<ul style="list-style-type: none"> <li>Formulating Policy on Unity</li> <li>Strengthening Stakeholders Collaboration</li> </ul>	

# Appendix (cont.)

		Priority Area	Strategy	Initiative
THEME 2 (cont.)	Chapter 5	Addressing Poverty and Narrowing Inequality from a Multidimensional Perspective	Increasing Income of the Poor	<ul style="list-style-type: none"> <li>• Uplifting and Diversifying Income</li> <li>• Promoting a Whole-of-Nation Approach in Addressing Poverty</li> </ul>
			Improving Access to Essential Services	<ul style="list-style-type: none"> <li>• Improving Provision for Quality Education and Skills Training</li> <li>• Improving Healthcare Services</li> </ul>
			Uplifting Standard of Living of the Poor	<ul style="list-style-type: none"> <li>• Improving Basic Amenities and Infrastructure</li> <li>• Upgrading Living Conditions</li> </ul>
			Addressing Quality of Life of Urban Poor	<ul style="list-style-type: none"> <li>• Increasing and Diversifying Income</li> <li>• Facilitating Access to Education and Healthcare</li> </ul>
			Strengthening Service Delivery Mechanism	<ul style="list-style-type: none"> <li>• Enhancing the Service Delivery System</li> <li>• Improving Poverty Measurement and Policy Implementation</li> </ul>
			Narrowing Household Income Inequality	<ul style="list-style-type: none"> <li>• Addressing the Rising Cost of Living and Increasing Purchasing Power</li> <li>• Strengthening Social Protection for All</li> </ul>
	Empowering B40		Increasing B40 Income and Redefining Income Group Category	<ul style="list-style-type: none"> <li>• Enhancing Capacity and Capability of B40</li> <li>• Enhancing Entrepreneurship among the B40</li> <li>• Reviewing Income Group Category</li> </ul>
			Improving Access to Basic Services for the B40	<ul style="list-style-type: none"> <li>• Improving Access to Education and Skills Training</li> <li>• Enhancing Access to Healthcare Services</li> <li>• Enhancing Opportunities for Home Ownership by B40</li> </ul>
			Elevating Socioeconomic Status of Low-Income Chinese and Indian Households	<ul style="list-style-type: none"> <li>• Elevating Standard of Living of Low-Income Chinese Households</li> <li>• Elevating Standard of Living of Low-Income Indian Households</li> </ul>

# Appendix (cont.)

		Priority Area	Strategy	Initiative
THEME 2 – (cont.)	Chapter 5 (cont.)	Supporting the M40 towards Equitable Society	Boosting Income of the M40	<ul style="list-style-type: none"> <li>• Participation of M40 in Income Generating Activities</li> </ul>
			Improving Access to Quality and Affordable Education	<ul style="list-style-type: none"> <li>• Providing Early Childhood Care and Education Assistance</li> </ul>
			Encouraging Health and Employment Protection	<ul style="list-style-type: none"> <li>• Promoting Health and Employment Insurance</li> </ul>
			Increasing M40 Housing Ownership	<ul style="list-style-type: none"> <li>• Facilitating the Ownership of Affordable Homes</li> </ul>
	Achieving an Equitable Outcome for Bumiputera		Accelerating Bumiputera Socioeconomic Development	<ul style="list-style-type: none"> <li>• Eradicating Poverty and Increasing Bumiputera Household Income</li> </ul>
			Improving Governance and Strengthening Service Delivery	<ul style="list-style-type: none"> <li>• Improving the Governance of Bumiputera Institutions and Mandated Agencies</li> <li>• Strengthening the Service Delivery System</li> </ul>
			Strengthening Education and Empowering Human Capital	<ul style="list-style-type: none"> <li>• Expanding Educational Access and Opportunities</li> <li>• Improving the Quality of Skills Programmes</li> <li>• Increasing Bumiputera Participation in Certified Professional Programmes</li> <li>• Improving Huffaz Skills and Marketability</li> </ul>
			Increasing the Resilience and Sustainability of Bumiputera Businesses	<ul style="list-style-type: none"> <li>• Enhancing Capacity and Capability of Entrepreneurs</li> <li>• Intensifying Entrepreneurship Programmes</li> <li>• Enhancing Bumiputera MSMEs Participation in the Strategic High Impact and Emerging Economic Sectors</li> <li>• Exploring and Expanding Businesses</li> </ul>
			Increasing Bumiputera Wealth Creation	<ul style="list-style-type: none"> <li>• Introducing New Financing Mechanisms for Non-Financial Assets</li> <li>• Introducing New Business Models for Non-Financial Assets</li> </ul>

# Appendix (cont.)

		Priority Area	Strategy	Initiative
THEME 2 (cont.) Chapter 5 (cont.)	Achieving an Equitable Outcome for Bumiputera (cont.)	Optimising Malay Reserve Land and Waqf Instruments		<ul style="list-style-type: none"> <li>Strengthening the Development of Malay Reserve Land and Waqf Instruments</li> </ul>
		Ensuring Sustainable Corporate Equity Ownership		<ul style="list-style-type: none"> <li>Revisiting Investment Strategies</li> <li>Promoting Investment Literacy</li> <li>Enhancing the Role of SOEs as Enablers for Bumiputera Equity Ownership</li> </ul>
	Enhancing Development of Orang Asli Community	Strengthening Education as a Catalyst for Development		<ul style="list-style-type: none"> <li>Strengthening Education Programmes</li> <li>Improving Education of Orang Asli</li> </ul>
		Accelerating Socioeconomic Development of Orang Asli		<ul style="list-style-type: none"> <li>Formulating Comprehensive Socioeconomic Development Plan for Orang Asli</li> <li>Increasing Income of Orang Asli</li> <li>Expanding Basic Infrastructure, Amenities and Services for Orang Asli</li> </ul>
	Empowering Specific Target Groups	Advancing Children Wellbeing		<ul style="list-style-type: none"> <li>Strengthening Governance for Children Development and Protection</li> </ul>
		Building Dynamic, Resilient and Competitive Youth		<ul style="list-style-type: none"> <li>Strengthening Youth Development and Participation</li> </ul>
		Empowering the Role of Women		<ul style="list-style-type: none"> <li>Promoting Gender Equality</li> <li>Enhancing Legal Protection</li> </ul>
		Increasing the Wellbeing of Aged Population		<ul style="list-style-type: none"> <li>Enhancing Care and Support for Older Persons</li> <li>Strengthening Social Protection</li> </ul>
		Empowering Persons with Disabilities		<ul style="list-style-type: none"> <li>Ensuring Inclusiveness of Persons with Disabilities</li> </ul>
		Strengthening the Family Institution		<ul style="list-style-type: none"> <li>Building Strong Family Institution</li> </ul>

# Appendix (cont.)

		Priority Area	Strategy	Initiative
THEME 2 (cont.)	Chapter 6	Optimising Regional Economic Potential	Accelerating Development Based on Key Growth Nodes and Hotspot Areas	<ul style="list-style-type: none"> <li>Promoting Economic Activities of Key Growth Nodes and Hotspot Areas</li> <li>Accelerating High Value-Added Activities</li> <li>Implementing Green Growth Initiatives</li> </ul>
			Attracting Investment Quality	<ul style="list-style-type: none"> <li>Focusing on High Value-Added, Advanced Technology and Knowledge-Intensive Activities</li> <li>Enhancing Incentive Packages</li> <li>Intensifying Research, Development, Commercialisation and Innovation</li> </ul>
			Improving the Business Ecosystem	<ul style="list-style-type: none"> <li>Improving Connectivity and Mobility to Boost Inter- and Intra-Regional Economic Activities</li> <li>Enhancing the Provision of Basic Infrastructure and Services</li> <li>Intensifying Talent and Entrepreneurship Development</li> <li>Enhancing Collaboration in the Production Networks</li> </ul>
			Enhancing Collaboration and Strategic Coordination	<ul style="list-style-type: none"> <li>Strengthening Regional Planning</li> <li>Improving Implementation Mechanisms and Enhancing Data Sharing</li> <li>Prioritising Development Allocation for Less Developed States</li> </ul>
			Enhancing Cooperation under IMT-GT and BIMP-EAGA	<ul style="list-style-type: none"> <li>Increasing Cross-Border Economic Activities and Strengthening Value Chains</li> <li>Creating Liveable Towns and Cities in Subregional Areas</li> <li>Improving Infrastructure Accessibility and Connectivity</li> <li>Enhancing Collaboration and Coordination between Stakeholders</li> </ul>
		Developing Sustainable Cities	Promoting Effective Urban Planning and Governance	<ul style="list-style-type: none"> <li>Strengthening Urban Development Planning</li> <li>Promoting Sustainable and Smart City Approach</li> <li>Improving Coordination and Governance Mechanisms</li> </ul>
			Fostering Sustainable Urban Economy	<ul style="list-style-type: none"> <li>Enhancing Urban Agglomeration and Ecosystem</li> <li>Encouraging the Growth of Economic Activities in Cities</li> <li>Leveraging City Competitiveness to Attract Investment</li> </ul>

# Appendix (cont.)

		Priority Area	Strategy	Initiative
THEME 2 (cont.)	Chapter 6 (cont.)	Developing Sustainable Cities (cont.)	Prioritising Green and Resilient Urban Development	<ul style="list-style-type: none"> <li>• Strengthening Waste Management</li> <li>• Enhancing Energy Efficiency and Resilience of City</li> <li>• Promoting Green Mobility</li> <li>• Enhancing Urban Biodiversity</li> </ul>
			Building Sustainable Urban Society	<ul style="list-style-type: none"> <li>• Improving Liveability and Inclusiveness</li> <li>• Accelerating Local Agenda 21 Implementation</li> </ul>
		Transforming Rural Areas to Bridge Development Gap	Accelerating the Provision of Infrastructure and Services	<ul style="list-style-type: none"> <li>• Increasing Provision of Rural Infrastructure</li> <li>• Enhancing Basic Services</li> <li>• Improving Connectivity and Mobility</li> </ul>
	Diversifying and Boosting Economic Activities		<ul style="list-style-type: none"> <li>• Optimising Land Use for Rural Economy</li> <li>• Re-energising Rural Cottage Industries</li> </ul>	
	Improving Governance		<ul style="list-style-type: none"> <li>• Strengthening Rural Governance</li> <li>• Streamlining Delivery System</li> </ul>	
	Chapter 7	Solidifying Provision of Infrastructure	Extending the Provision of Infrastructure	<ul style="list-style-type: none"> <li>• Improving the Provision of Basic Infrastructure</li> <li>• Expanding Broadband Coverage</li> <li>• Augmenting Electricity Supply System</li> </ul>
Extending the Provision of Connectivity			<ul style="list-style-type: none"> <li>• Enhancing Rural Air Services</li> <li>• Improving Logistics Services</li> </ul>	
Optimising Economic Potential		Reenergising Economic Activities	<ul style="list-style-type: none"> <li>• Promoting More Equitable Industrial Development</li> <li>• Promoting Digital Economy</li> <li>• Modernising Agriculture Sector</li> <li>• Strengthening Oil and Gas Subsector</li> <li>• Enhancing Resource-Based Manufacturing Activity</li> <li>• Enhancing the Services Sector</li> <li>• Accelerating the Construction Sector</li> </ul>	

# Appendix (cont.)

		Priority Area	Strategy	Initiative
THEME 2 (cont.)	Chapter 7 (cont.)	Optimising Economic Potential (cont.)	Strengthening the Development of Micro, Small and Medium Enterprises	<ul style="list-style-type: none"> <li>Improving Access to Financing</li> <li>Enhancing Resource-Based Micro, Small and Medium Enterprises Activities</li> <li>Facilitating Ease of Doing Business</li> <li>Boosting Micro, Small and Medium Enterprises Market Access</li> </ul>
			Providing a Conducive Ecosystem	<ul style="list-style-type: none"> <li>Leveraging Regional Economic Corridors for Integrated Socioeconomic Development</li> <li>Promoting Sabah and Sarawak as Preferred Investment Destinations in BIMP-EAGA</li> <li>Enhancing Infrastructure Connectivity for Stronger Economic Ties with Kalimantan</li> </ul>
		Advancing Rural Development	<ul style="list-style-type: none"> <li>Strengthening Growth Enablers</li> <li>Re-energising Rural Economic Activities</li> <li>Providing Access to Online Businesses</li> </ul>	
		Accelerating Urban Development	<ul style="list-style-type: none"> <li>Improving Development Potential of Cities</li> <li>Upgrading Urban Services</li> <li>Enhancing Liveability through Implementation of Green City Action Plan</li> </ul>	
		Promoting Green Growth	<ul style="list-style-type: none"> <li>Accelerating Green Initiatives</li> <li>Conserving Natural Capital</li> </ul>	
	Improving Access to Social Services	Improving Access to Education	<ul style="list-style-type: none"> <li>Improving Access to Education and Training</li> <li>Enhancing Industry Collaboration Network</li> </ul>	
		Improving Access to Healthcare Services	<ul style="list-style-type: none"> <li>Strengthening Healthcare Personnel</li> <li>Improving Facilities for Healthcare Services</li> </ul>	
		Improving Access to Affordable Housing	<ul style="list-style-type: none"> <li>Adopting a New Public Housing Model</li> <li>Increasing the Supply of Affordable Housing for Targeted Groups</li> </ul>	

# Appendix (cont.)

	Priority Area	Strategy	Initiative
THEME 2 (cont.) Chapter 7(cont.)	Improving Access to Social Services (cont.)	Enhancing Security and Public Safety	<ul style="list-style-type: none"> <li>• Enhancing Border and Maritime Security</li> <li>• Implementing Holistic Plan to Manage Illegal Immigrants</li> </ul>
	Enhancing Inclusive Development	Addressing Poverty and Diversifying Sources of Income	<ul style="list-style-type: none"> <li>• Alleviating Poverty through the Provision of Basic Infrastructure and Services</li> <li>• Increasing and Diversifying Sources of Income</li> </ul>
		Strengthening Anak Negeri Sabah and Bumiputera Sarawak Socioeconomic Development	<ul style="list-style-type: none"> <li>• Improving Employability and Promoting Entrepreneurship</li> <li>• Accelerating Development of Customary Land</li> </ul>
	Strengthening Cooperation between the Federal Agencies and State Governments	Establishing a Supportive Ecosystem for Cooperation	<ul style="list-style-type: none"> <li>• Reviewing the Rights of Sabah and Sarawak</li> <li>• Strengthening Talent</li> <li>• Prioritising Development Allocation for Sabah and Sarawak</li> </ul>
		Enhancing Collaboration among Authorities	<ul style="list-style-type: none"> <li>• Promoting Synergies among the Regional Economic Corridor Authorities with Federal and State Agencies</li> <li>• Improving and Strengthening the Roles of SEDCO and SEDC</li> <li>• Enhancing State Role in Promoting Islam and Strengthening Native Courts</li> </ul>
THEME 3 Chapter 8	Implementing a Low-Carbon, Clean and Resilient Development	Moving Towards a Low-Carbon Nation	<ul style="list-style-type: none"> <li>• Developing Enabling Instruments for Climate Action</li> <li>• Promoting Green and Resilient Cities and Townships</li> <li>• Enhancing Green Mobility</li> <li>• Augmenting Low-Carbon Energy</li> <li>• Expanding the Green Market and Government Green Procurement</li> </ul>
		Accelerating Transition to the Circular Economy	<ul style="list-style-type: none"> <li>• Creating an Enabling Ecosystem for the Circular Economy</li> <li>• Improving Design and Processes of Products and Services</li> <li>• Implementing Extended Producer Responsibility</li> <li>• Strengthening Waste Management</li> </ul>

# Appendix (cont.)

		Priority Area	Strategy	Initiative
THEME 3	Chapter 8 (cont.)	Implementing a Low-Carbon, Clean and Resilient Development (cont.)	Sharing Responsibility in Pollution Prevention	<ul style="list-style-type: none"> <li>• Prioritising Environmental Health</li> <li>• Implementing Environmentally Sound Management of Chemical and Hazardous Substances</li> </ul>
			Increasing Resilience against Climate Change and Disasters	<ul style="list-style-type: none"> <li>• Implementing Evidence-Based and Risk-Informed Actions</li> <li>• Adopting Integrated Approaches for Climate Adaptation and Disaster Risk Reduction</li> <li>• Enhancing Early Warning Systems and Disaster Response</li> <li>• Enhancing Disaster Preparedness and Recovery</li> </ul>
	Managing Natural Resources Efficiently to Safeguard Natural Capital	Conserving Natural Ecosystems	<ul style="list-style-type: none"> <li>• Enhancing Conservation Measures for Terrestrial and Inland Water Areas</li> <li>• Enhancing Conservation Measures for Coastal and Marine Areas</li> <li>• Mainstreaming Natural Ecosystem Science and Approaches into Development Planning</li> </ul>	
		Protecting and Conserving Species and Genetic Resources	<ul style="list-style-type: none"> <li>• Strengthening Species Management and Conservation</li> <li>• Enhancing Conservation of Genetic Resources</li> </ul>	
		Ensuring Sustainable Utilisation and Benefits Sharing	<ul style="list-style-type: none"> <li>• Strengthening Sustainable Utilisation of Natural Resources</li> <li>• Enhancing Mineral Resources Management</li> <li>• Diversifying Conservation Funding</li> <li>• Ensuring Equitable Benefit Sharing from Natural Resource Utilisation</li> </ul>	
		Enhancing Conservation of Water Resources	<ul style="list-style-type: none"> <li>• Strengthening Water Resource Governance</li> <li>• Addressing Water Pollution</li> </ul>	

# Appendix (cont.)

		Priority Area	Strategy	Initiative
THEME 3 (cont.)	Chapter 8 (cont.)	Strengthening the Enabling Environment for Effective Governance	Strengthening Environmental Governance	<ul style="list-style-type: none"> <li>• Improving Policy and Legislation</li> <li>• Strengthening Institutional Framework and Human Capital</li> <li>• Strengthening Local Authorities</li> </ul>
			Scaling-up Green Financing and Investments	<ul style="list-style-type: none"> <li>• Enhancing Domestic Green Financing and Investments</li> <li>• Leveraging Bilateral and Multilateral Financing</li> <li>• Enhancing Environmental Economic Instruments</li> <li>• Promoting Disaster Risk Financing</li> </ul>
			Instilling Sense of Ownership and Shared Responsibility	<ul style="list-style-type: none"> <li>• Increasing Awareness to Steer Behavioural Change</li> <li>• Promoting Inclusive Stakeholder Collaboration</li> </ul>
	Chapter 9	Ensuring Sustainable Energy for All	Enhancing the Energy Sector	<ul style="list-style-type: none"> <li>• Formulating a Comprehensive National Energy Policy</li> <li>• Establishing a Comprehensive Communication Plan</li> </ul>
			Ensuring Sustainable and Progressive Oil and Gas Subsector	<ul style="list-style-type: none"> <li>• Prioritising Consumption of Local Petrol and Diesel</li> <li>• Attracting High Value Investment in the Petrochemical Industry</li> <li>• Scaling Up Biofuel Usage</li> <li>• Enhancing the Capability of Local Players in Oil and Gas Services and Equipment Subsector</li> <li>• Developing a Comprehensive Natural Gas Roadmap</li> </ul>
			Enhancing the Electricity Subsector	<ul style="list-style-type: none"> <li>• Creating a Resilient Electricity Supply Industry</li> <li>• Strengthening Electricity Supply System in Sabah</li> <li>• Enhancing the Grid System</li> <li>• Expanding Rural Electricity Coverage</li> <li>• Increasing Renewable Energy Installed Capacity</li> <li>• Enhancing Energy Efficiency</li> </ul>

# Appendix (cont.)

	Priority Area	Strategy	Initiative
<b>THEME 3</b> <b>Chapter 9 (cont.)</b>	Transforming the Water Sector	Empowering People	<ul style="list-style-type: none"> <li>Establishing Public Consultation Platforms</li> <li>Implementing Comprehensive Awareness, Advocacy and Capacity-Building Programmes</li> <li>Expanding Community-Driven Conservation Programmes</li> </ul>
		Strengthening Governance at All Levels	<ul style="list-style-type: none"> <li>Strengthening Water Resources Management</li> <li>Mitigating Water Pollution</li> <li>Institutionalising the Water-Energy-Food Nexus Approach</li> </ul>
		Enhancing Capability in Data-Driven Decision-Making	<ul style="list-style-type: none"> <li>Strengthening Water Data and Research Centre</li> <li>Enhancing Capacity of Water Industry Players and the Scientific Community</li> <li>Ensuring Sustainable Financing</li> <li>Strengthening Financial Sustainability of Water Services Providers</li> <li>Promoting Innovative Financing</li> </ul>
		Developing Sustainable Infrastructure with Cost-Effective Technology	<ul style="list-style-type: none"> <li>Adopting Alternative System for Water Services in the Rural Area and Island</li> <li>Reducing Non-Revenue Water</li> <li>Optimising Water Resources through Cost-Effective Infrastructure</li> <li>Emphasising Nature-Based Approach</li> <li>Implementing Circular Economy in Water Sector</li> <li>Scaling Up Efficient Use of Water</li> </ul>
<b>Policy Enabler 1</b> <b>Chapter 10</b>	Realigning the Labour Market for Inclusive and Sustainable Growth	Promoting Equitable Compensation of Employees and Labour Participation	<ul style="list-style-type: none"> <li>Strengthening Labour Market</li> <li>Facilitating Labour Force Participation</li> </ul>
		Strengthening the Labour Market Support System	<ul style="list-style-type: none"> <li>Enhancing Labour Market Information Infrastructure</li> <li>Promoting Responsive Workforce Training</li> <li>Addressing Labour Displacement due to COVID-19 Pandemic</li> <li>Providing Decent Work for Gig Workers</li> <li>Encouraging Shared Responsibility</li> </ul>

# Appendix (cont.)

		Priority Area	Strategy	Initiative
Policy Enabler 1	Chapter 10 (cont.)	Developing Future-Ready Talent	Raising the Quality of Education	<ul style="list-style-type: none"> <li>• Improving Learning Outcomes</li> <li>• Promoting a Flexible Higher Education System</li> <li>• Strengthening Assessment Approach</li> <li>• Strengthening Industry Collaboration</li> <li>• Enhancing TVET Programme</li> <li>• Strengthening Enculturation of Lifelong Learning</li> </ul>
			Strengthening Governance	<ul style="list-style-type: none"> <li>• Enhancing Governance and Coordination of the School System</li> <li>• Fostering Effective Governance and Greater Financial Independence of Higher Education Institutions</li> </ul>
			Leveraging Emerging Technology	<ul style="list-style-type: none"> <li>• Optimising Digital Learning Ecosystem</li> <li>• Strengthening TVET through Digital Learning</li> </ul>
			Ensuring Equitable Learning Outcomes	<ul style="list-style-type: none"> <li>• Increasing Accessibility to Inclusive and Quality Education</li> </ul>
			Addressing Overlap in TVET Governance	<ul style="list-style-type: none"> <li>• Revamping the TVET Governance Systems</li> <li>• Promoting the TVET Brand</li> <li>• Enhancing Quality Programmes</li> <li>• Creating TVET Database</li> </ul>
Policy Enabler 2	Chapter 11	Advancing Digital Economy	Providing an Enabling Environment for the Growth of the Digital Economy	<ul style="list-style-type: none"> <li>• Streamlining Digital Governance</li> <li>• Accelerating Trade through eCommerce</li> <li>• Expanding the Sharing Economy</li> <li>• Strengthening Cyber Security</li> </ul>
			Strengthening Provision of Digital Infrastructure and Services	<ul style="list-style-type: none"> <li>• Ensuring Equitable Access</li> <li>• Facilitating Adoption of Emerging and Alternative Technology</li> <li>• Providing an Enabling Environment for Digital Infrastructure Development</li> </ul>

# Appendix (cont.)

	Priority Area	Strategy	Initiative
Policy Enabler 2 (cont.) Chapter 11 (cont.)	Advancing Digital Economy (cont.)	Developing Future-Ready Digital Talent	<ul style="list-style-type: none"> <li>Developing Digital Talent to Promote Digital Economy</li> <li>Nurturing Future-Ready Digital Talent</li> </ul>
		Positioning Malaysia as the ASEAN Digital Centre	<ul style="list-style-type: none"> <li>Facilitating Strategic and Quality Investment</li> <li>Digitalising Micro, Small and Medium Enterprises to Broaden Market Access</li> </ul>
	Mainstreaming Digitalisation for Inclusive Development	Expanding Digitalisation	<ul style="list-style-type: none"> <li>Facilitating Digital Opportunities</li> <li>Creating More Online Business Ventures</li> </ul>
		Improving Digital Governance for Inclusive Digitalisation	<ul style="list-style-type: none"> <li>Improving Data Integration and Privacy for Efficient Service Delivery</li> </ul>
	Accelerating Research, Development, Commercialisation and Innovation	Strengthening Capacity and Capability in Research, Development, Commercialisation and Innovation	<ul style="list-style-type: none"> <li>Streamlining National Science, Technology and Innovation Priority Areas</li> <li>Strengthening Funding for Research, Development, Commercialisation and Innovation</li> <li>Translating Research and Development as well as Intellectual Property into High Value-Added Products</li> </ul>
		Nurturing Quality Science, Technology and Innovation Talent	<ul style="list-style-type: none"> <li>Increasing Supply of Quality Science, Technology and Innovation Talent</li> <li>Championing Effective and Fun Non-Formal Science, Technology, Engineering and Mathematics Learning</li> <li>Increasing Effectiveness of Communication and Awareness Programmes</li> </ul>
	Capitalising on Advanced Technology Potential	Gearing up for the Fourth Industrial Revolution	<ul style="list-style-type: none"> <li>Seizing Economic Growth Opportunities Arising from the Fourth Industrial Revolution</li> <li>Creating a Conducive Ecosystem to Harness the Potential of the Fourth Industrial Revolution</li> <li>Establishing Trust and Building an Inclusive Digital Society</li> </ul>

# Appendix (cont.)

		Priority Area	Strategy	Initiative
Policy Enabler 3 Chapter 12	Ensuring Integrated, Affordable, Reliable and Seamless People Mobility	Overall of Public Transport	Improving Accessibility of Public Transport	<ul style="list-style-type: none"> <li>Integrating Transport Modes</li> <li>Enhancing First- and Last-Mile Connectivity</li> <li>Encouraging Transit Oriented Development</li> </ul>
			Encouraging Behavioural Shift from Private to Public Transport	<ul style="list-style-type: none"> <li>Propelling Public Transport as the First Choice of Travel</li> <li>Identifying Public Transport Modes</li> </ul>
	Driving Transport and Logistics Industry Towards Competitiveness	Efficiency of Services	Enhancing Efficiency of Services	<ul style="list-style-type: none"> <li>Increasing Capacity of Ports Infrastructure and Services</li> <li>Improving Last-Mile Connectivity to Main Ports</li> <li>Adopting Multimodal Cargo Movement</li> <li>Upgrading Aviation Systems and Equipment</li> <li>Implementation of Preventive Maintenance</li> </ul>
			Leveraging Digitalisation in Services	<ul style="list-style-type: none"> <li>Operationalising a Single-Window Transaction Platform</li> <li>Developing a Centralised Database</li> </ul>
	Strengthening Institutional and Regulatory Framework	Improving Governance	Improving Governance	<ul style="list-style-type: none"> <li>Strengthening Coordination among Stakeholders</li> <li>Improving Enforcement Mechanism</li> <li>Developing National Warehousing Regulation</li> <li>Introducing a Governance Mechanism for the Maritime Economy</li> <li>Restructuring the Model for Highway Development</li> </ul>
			Promoting Green Initiatives	<ul style="list-style-type: none"> <li>Implementing the Low Carbon Mobility Blueprint</li> <li>Mandating Adoption of Environmental Standards</li> <li>Enhancing Communication, Education and Public Awareness (CEPA)</li> </ul>

# Appendix (cont.)

		Priority Area	Strategy	Initiative
Policy Enabler 4 Chapter 13	Developing High-Performing Civil Service	Transforming the Public Service		<ul style="list-style-type: none"> <li>Enhancing Human Resource Management</li> <li>Strengthening the Roles of Key Agencies</li> </ul>
		Developing Future Leaders		<ul style="list-style-type: none"> <li>Recruiting and Retaining Talent</li> <li>Priming Premier Leaders in the Public Service</li> <li>Inculcating Good Ethics</li> <li>Enabling Continuous and Comprehensive Learning and Talent Development</li> </ul>
	Advancing Whole-of-Government Approach	Improving Government Administration and Operational Efficiency		<ul style="list-style-type: none"> <li>Improving Government Administration</li> <li>Streamlining Institutions</li> <li>Fostering Efficiency in Public Service Delivery</li> <li>Strengthening Collaboration and Coordination among Stakeholders</li> <li>Expanding Digitalisation Initiatives</li> <li>Strengthening Open Data Governance</li> </ul>
		Enabling Better Decision-Making and Innovation		<ul style="list-style-type: none"> <li>Enabling Quality Decision-Making</li> <li>Promoting Greater Innovation</li> </ul>
		Strengthening Governance Ecosystem		<ul style="list-style-type: none"> <li>Upholding Integrity, Transparency and Neutrality at All Levels</li> <li>Improving the Electoral System</li> <li>Digitalising Court Information Management System and Process</li> <li>Enhancing Corporate Governance in State-Owned Enterprises and Statutory Bodies</li> </ul>
	Enhancing Budgeting and Project Management	Reviewing Budgeting Framework and Process		<ul style="list-style-type: none"> <li>Enhancing Budgeting Transparency and Aligning Priorities</li> <li>Introducing the Fiscal Responsibility Act</li> <li>Introducing Value Gateway</li> <li>Developing a Legal Framework in Government Procurement</li> <li>Improving Public-Private Partnership Policy and Governance</li> </ul>
		Improving Effectiveness of Project Implementation		<ul style="list-style-type: none"> <li>Enhancing Project Delivery Mechanism</li> <li>Strengthening MyProjek</li> </ul>



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