



Transformation in High Gear

Malaysia – Islamic Development Bank (IDB) Group

Investment Forum

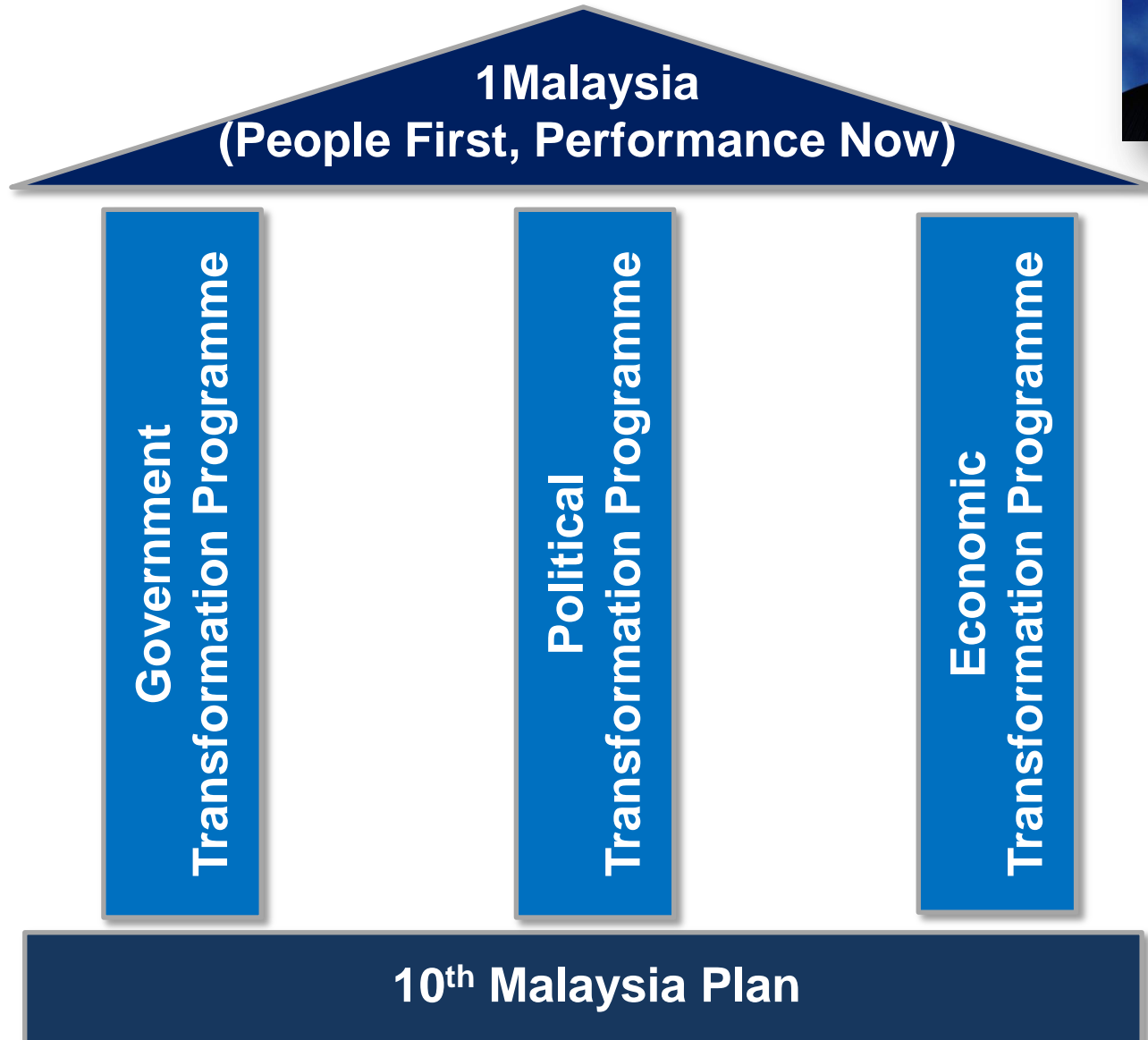
10 May 2012

By YB Senator Dato' Sri Idris Jala

Minister in the Prime Minister's Department and

CEO of Performance Management and Delivery Unit (PEMANDU)

PM introduced the **National Transformation Policy** towards Vision 2020



We took a radical and transformational approach

Direction & Programme

- Cabinet workshop
- Labs

Engagement

- Workshops, town halls
- Open Days

Commitment

- Roadmap
- KPIs

Delivery & Validation

- Problem Solving Meeting
- International Panel Review
- Annual Report

We are the only Government who is doing all of the above

To become a
High-Income Nation, We Need:

COMPETITIVENESS

&

FOCUS

We Need “Enablers”
To Ensure
Competitiveness

We need “Drivers” to
ensure focus on
high-impact areas

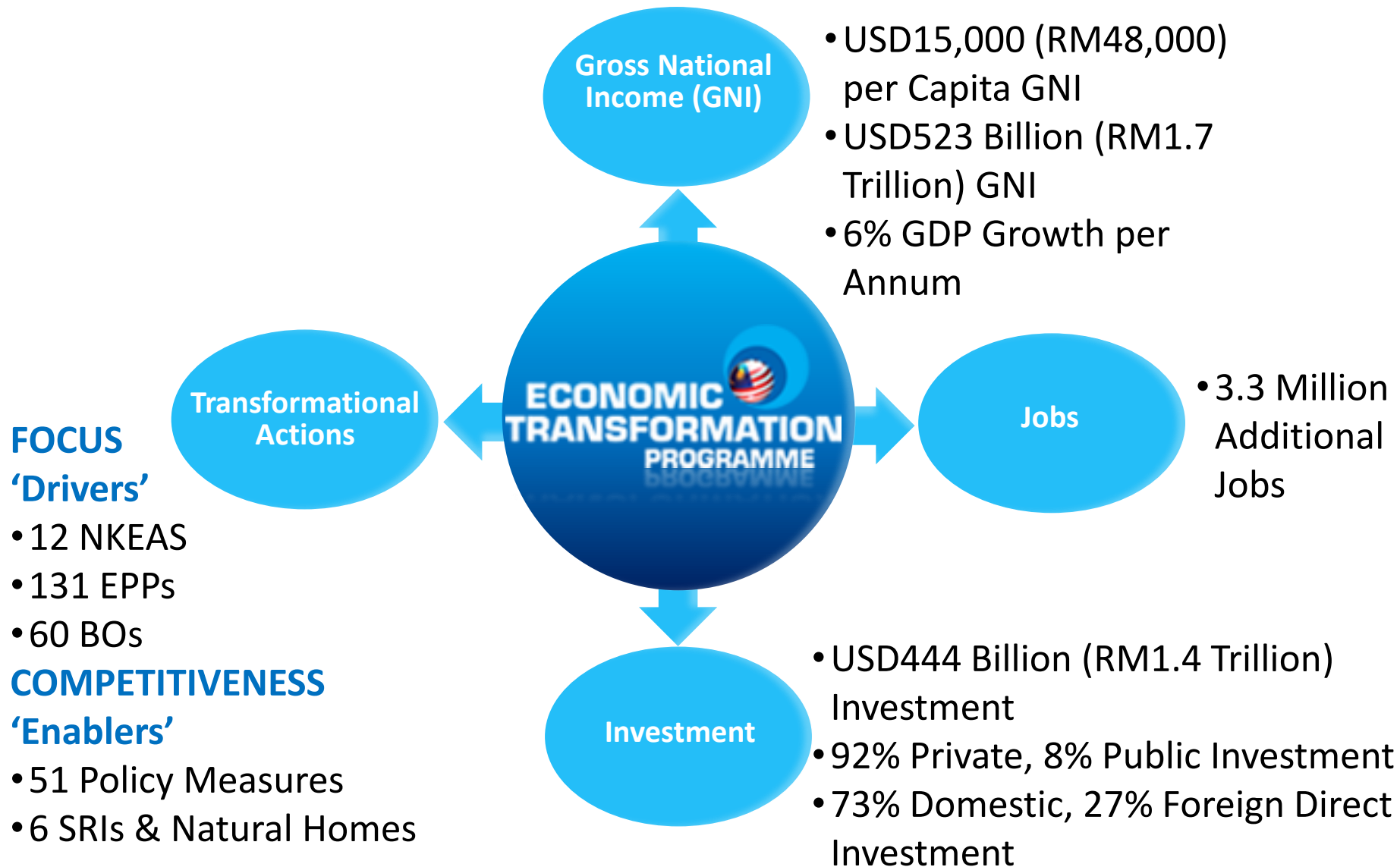
SRIs

Strategic Reform Initiatives

NKRAs + NKEAs

National Key Result Areas
National Key Economic Areas

Overview Of ETP



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SRIs

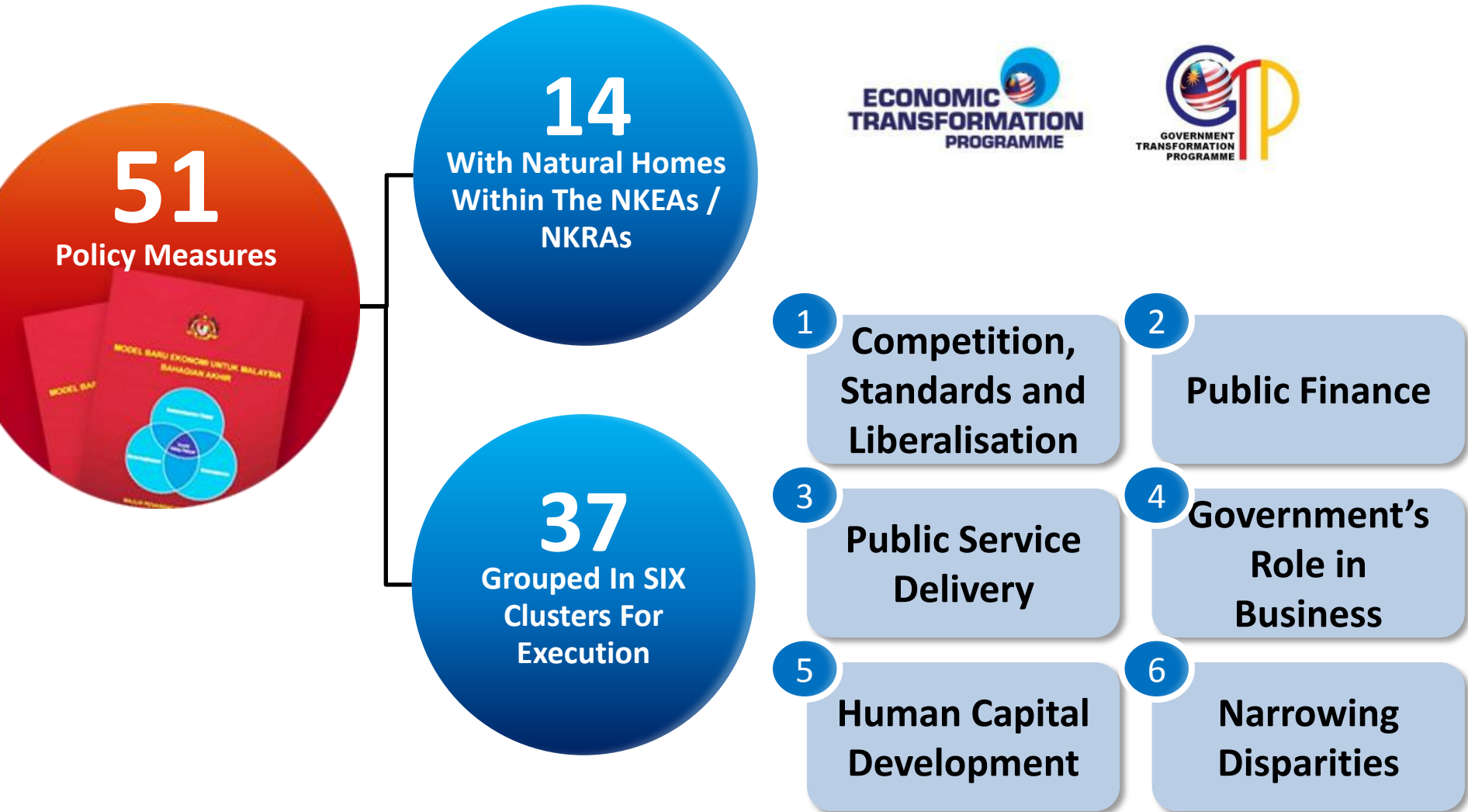
Strategic Reform Initiatives

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ensure focus on
high-impact areas

NKRAs + NKEAs

National Key Result Areas
National Key Economic Areas

SRI's Provide The Enablers For Malaysia To Be Competitive



Competition, Standards & Liberalisation

Competition Act

Enforced on 1 January 2012



Remove Anti-Competitive Agreements



Remove Abuse Of A Dominant Position

Development of Standards

Malaysia has 6,260 Standards
But Less Than 10% are Enforced

Amendments to the Standards of Malaysia Act 1996 approved in December 2011 to **acceleration development of standards**

Adoption of international standards will be **reduced to <9 months, compared to >1 year** currently

Proposed for **local standards to be completed within 1.5 years**, compared with three years currently

Liberalisation of sub-sectors

Up to 100% foreign equity participation will be allowed in phases in 2012

17 sub-sectors announced in Budget 2012 for liberalisation

8 sectors **fully liberalised** (e.g. Skills training services, private hospital services, accounting and taxation services)

Remaining 9 sectors to be **fully liberalised** in stages by end-2012

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NKEAs + NKRAAs

National Key Economic Areas
National Key Result Areas



ETP Results In 2011...

(January – December 2011)

NKEA : Wholesale & Retail

NKEA Overall KPI
Achievement:

141%

**EPP2: Number of establishments modernised
under the TUKAR programme**

Target:
500

Actual:
518

KPI Achievement:
104%



Before

After

For complete list of achievements, please refer to the ETP Annual Report 2011

NKEA : Financial Services

NKEA Overall KPI
Achievement:

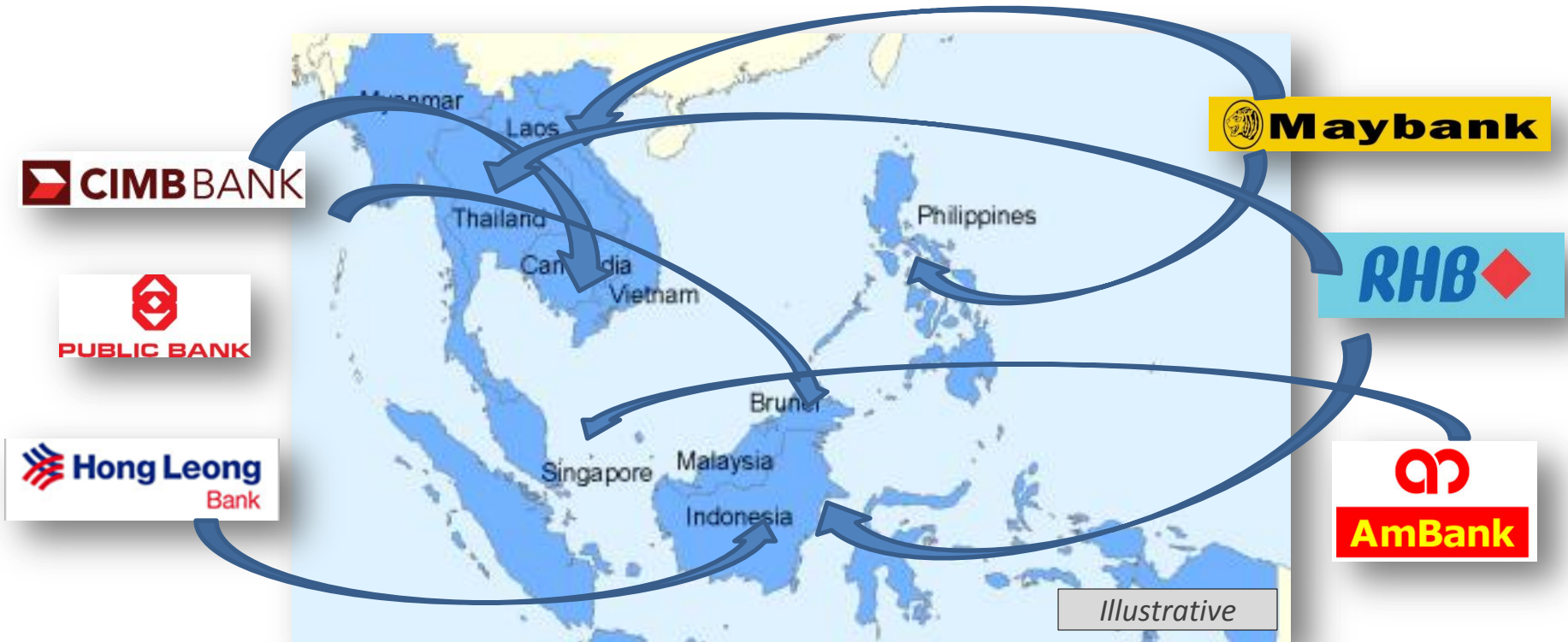
101%

EPP9: Domestic banks to expand regionally (ASEAN)

Target:
Q4 2011

Actual:
6 institutions

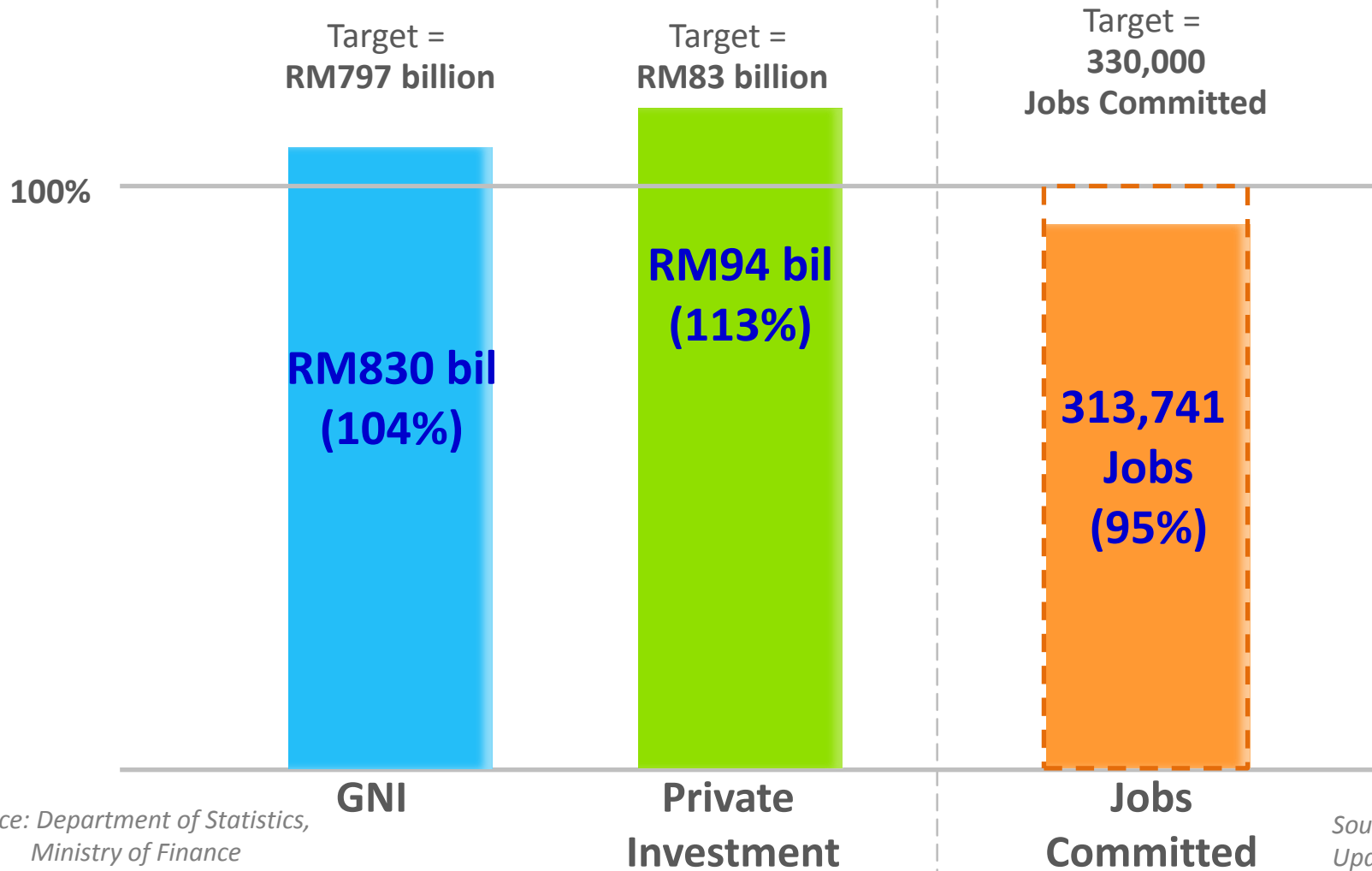
KPI Achievement:
100%



For complete list of achievements, please refer to the ETP Annual Report 2011

Impact of Transformation on the Malaysian Economy.....

2011 Results Benchmarked Against Targets



2011 GNI per capita: \$9,500

2011 GDP Growth: 5.1%

Note: 2009 GNI per capita: \$6,700

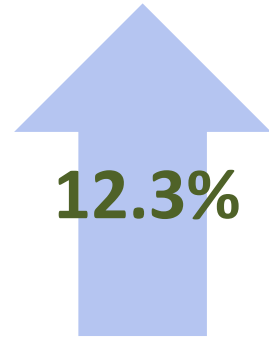
Private Investment, Trade Grew Strongly in 2011



FDI

RM32.9b

FY 2011



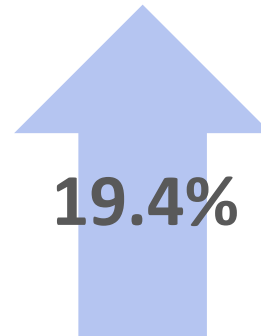
RM29.3b

FY 2010

Private Investment

RM94 b

FY 2011



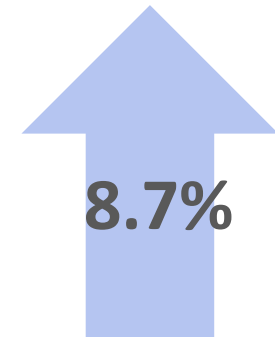
RM78.7b

FY 2010

Trade

RM1.27 tril

FY 2011



RM1.17 tril

FY 2010

Source: Department of Statistics

Source: Department of Statistics

Source: MITI

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SRI

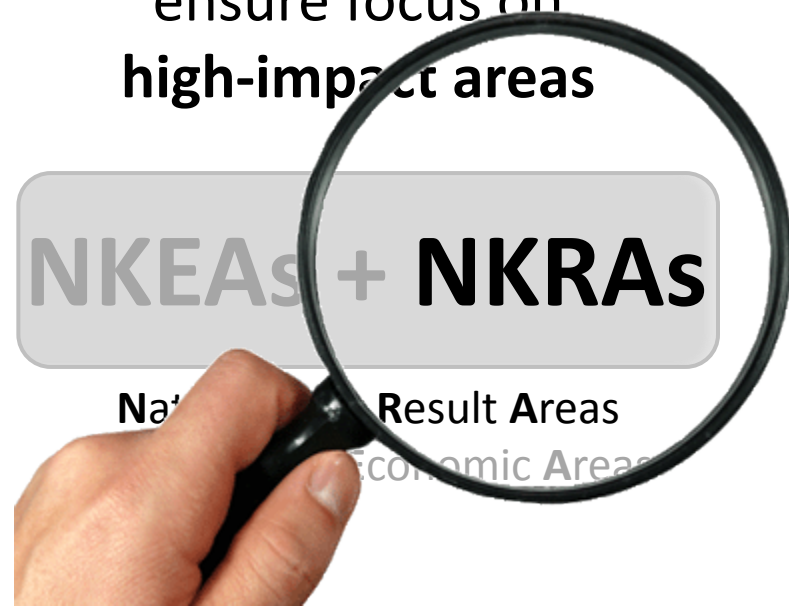
Strategic Reform Initiatives

We need “Drivers” to
ensure focus on
high-impact areas

NKEAs + **NKRAs**

National Economic Areas + **Result Areas**

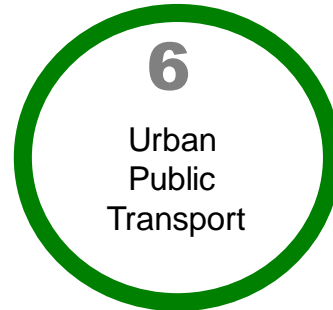
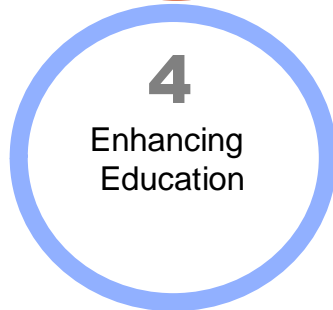
Economic Areas



We introduced **7 NKRA**s under the **GTP** to **FOCUS** on what the **rakyat** wants









+



GTP Continued to deliver in Year 2 (2011)



NKRA Overall Performance

NKPIs	2010	2011
 Urban Public Transport	107%	108%
 Crime	168%	130%
 Rural Basic Infrastructure	91%	123%
 Education	156%	187%
 Low Income Household	79%	103%
 Corruption	121%	133%
Overall Composite Scoring	121%	131%

**Crime
&
Corruption**

**Urban
Public
Transportation**

Will help

**Economic
Vibrancy**



External Validation

and

Surveys

GTP, ETP 2011 Results Endorsed By An International Panel & Audit Firm



Sir Michael Barber
Partner, McKinsey UK &
ex-Head of PM's Delivery
Unit of Tony Blair's
administration



Michael Hershman
President, Fairfax Group &
co-founder of
Transparency International



Kwak Seung-Jun
Chairman, Presidential
Council for Future & Vision,
Korea



Dr Yukon Huang
Senior Advisor, Carnegie
Asia Programme & former
World Bank country
director for China



Dr Homi J Kharas
Senior Fellow & Deputy
Director, Brookings
Institution & former World
Bank chief economist for
East Asia & Pacific



Stephen Sedgwick,
Australian Public Service
Commissioner



HK Yong
Advisor on Public-Private
Partnership,
Commonwealth Secretariat



Dr Ravi Balakrishnan
Resident Representative,
International Monetary
Fund

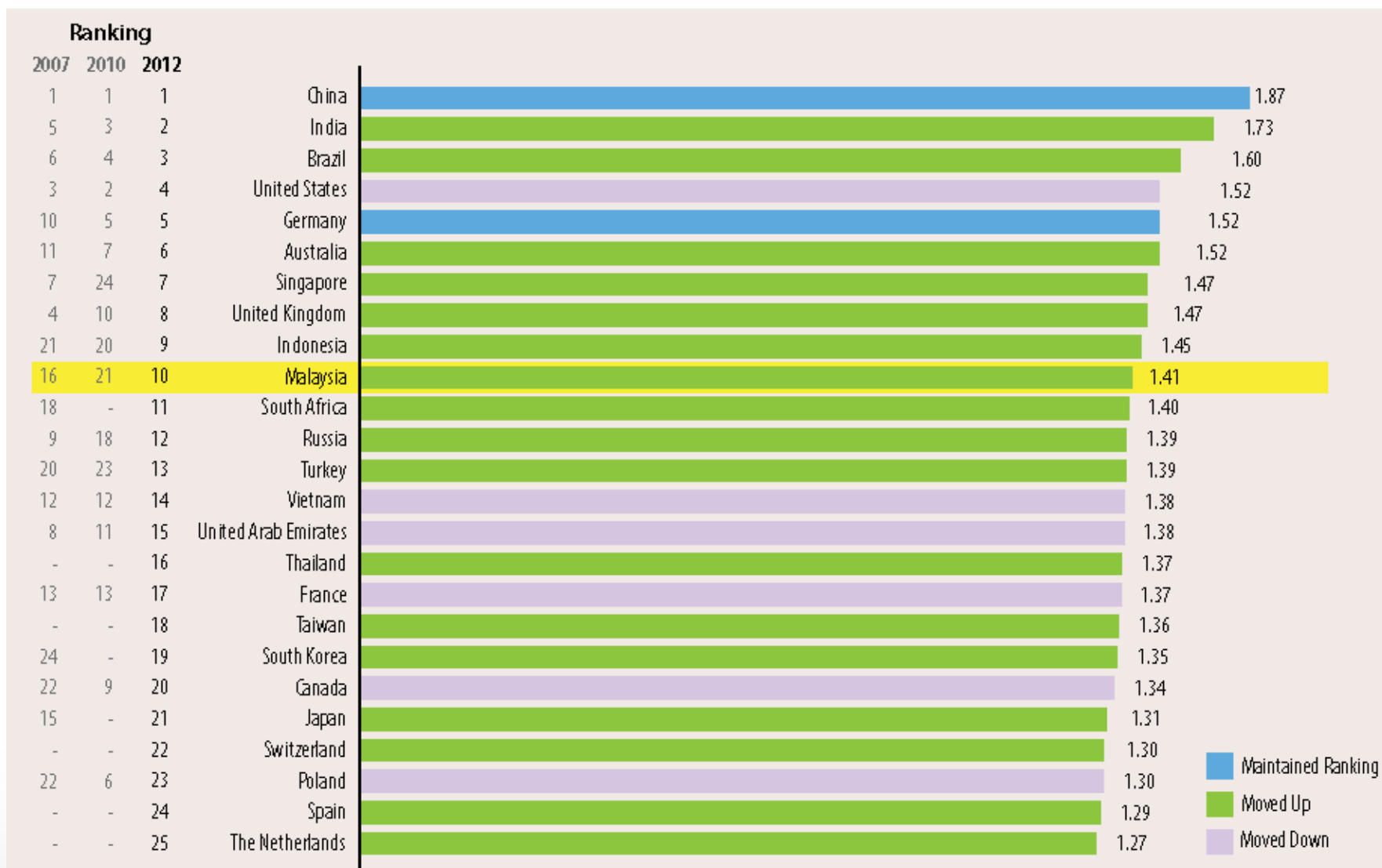
Key takeaway:

- Innovative
- Exciting
- High impact
- Speedy
- Transformation process is gathering global recognition

“Keep it Going!”

FDI Confidence Rising

2012 FDI Confidence Index



Source: AT Kearney Foreign Direct Investment Confidence Index®, 2012

Ease of Doing Business



Starting a business

Merging company, tax, social security & employment fund registrations at one-stop shop & same day registration



Paying taxes

Reintroduced RPGT – but improved electronic system



Enforcing contracts

Computerisation of courts to enable electronic complaint filing



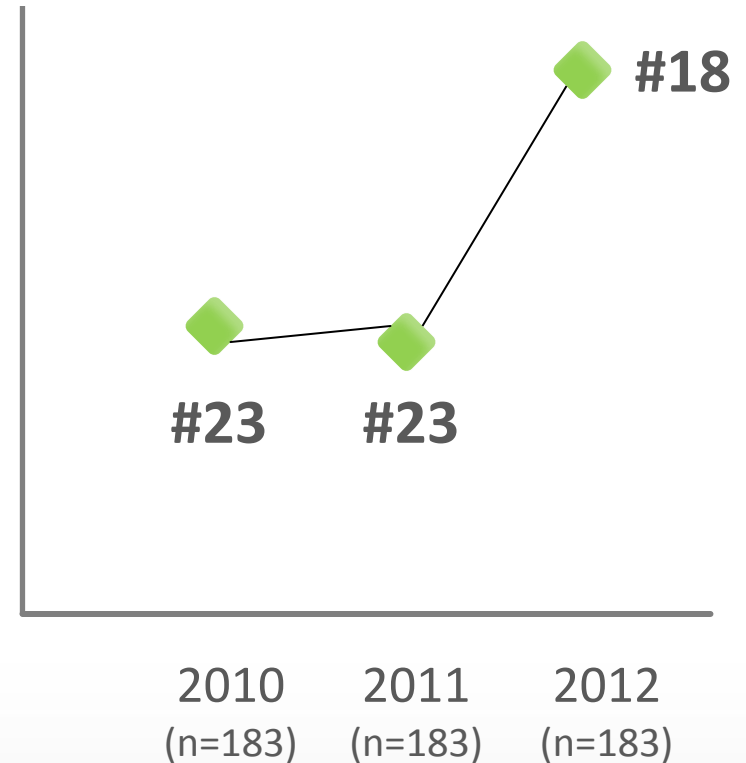
Resolving insolvency

Set up dedicated commercial courts to handle foreclosure proceedings



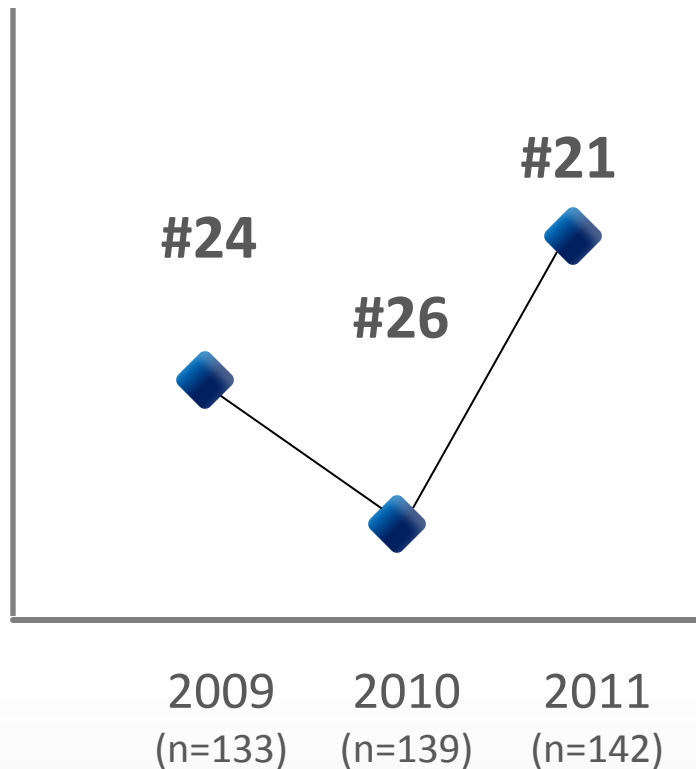
Ahead of **Germany, Japan, Taiwan, Switzerland, Belgium & France**

World Bank Doing Business Report 2012



Becoming More Competitive

World Economic Forum Global Competitiveness Report 2011



#21 out of 142 countries globally



#6 amongst Asia Pacific countries



#2 in ASEAN



Malaysia scored **5.08 points** out of a maximum of **7**, compared to 4.88 last year



Overtook **UAE, New Zealand, South Korea, Luxembourg & Israel**

Record Breaking Achievements!



Highest Crime Reduction
51,934 crimes reduced

Record rural road completion
1,780 kms

Best UPSR results in 4 years

Record Number of
Integrity pacts signed
132,459 pacts

Record passengers carried
on public transport
2,813,321 passengers

Innovative approach to COL
BR1M, 1M Clinic, KR1M



Record GNI
830.7 billion

Record GDP
RM852.7 billion

Record Private Consumption
RM406.7 billion

Record Government Revenue
RM185.54 billion

Highest Private Investment
in 10 years
RM94 billion

Highest FDI in 10 years
RM32.9 billion

Top 3 years in total trade
RM1.27 trillion

We Have **Concrete Programmes** To Weather The Challenges...

COMPETITIVENESS

&

FOCUS

We Need **“Enablers”**
To Ensure
Competitiveness

We need **“Drivers”**
to ensure focus on
high-impact areas

SRIs



... And We've Made **Great Strides**
In A **Short Space Of Time**

THANK YOU

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