



Islamic Development Bank Group

Together We Build a Better Future

MEMBER COUNTRY PARTNERSHIP STRATEGY FOR MALAYSIA, 2012-2015

Partnering for Achieving the Status of High Income Country



May 9th, 2012

IDB Group Investment Forum
Kuala Lumpur, Malaysia





Key Messages

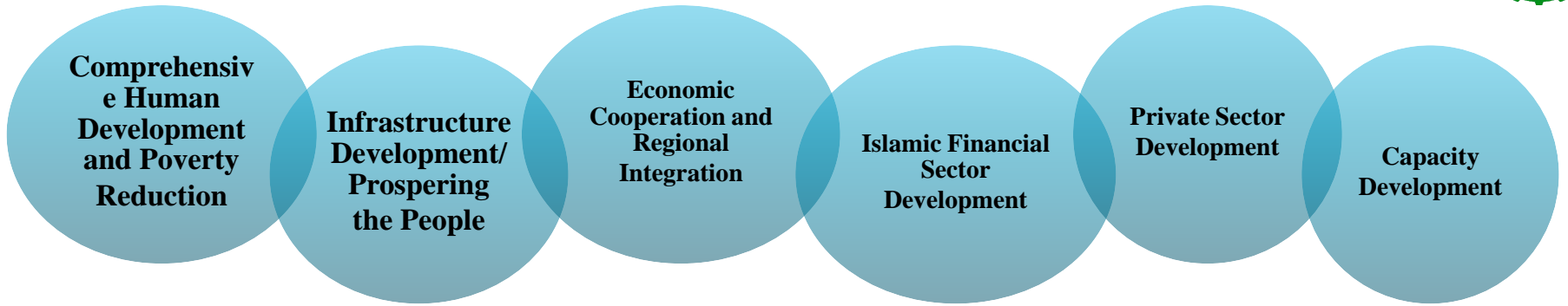
- ▶ **Unique and Distinctive**
 - Undertook In-Depth Diagnostic Work
 - Wide-Ranging Consultations
 - Rebalancing IDB Group Portfolio
- ▶ **Alignment, Selectivity & Focus**
 - Malaysia Vision 2020 and Tenth Malaysia Plan
 - IDB Vision 2020 and Key Strategic Priorities
- ▶ **Impact-oriented MCPS Framework**
- ▶ **Quick Wins/ Low Hanging Fruits**
- ▶ **Key Success Factors**

10 Big Ideas to Move Malaysia into a High-Income Nation



Key Strategic Thrusts of Tenth Malaysia Plan (2011-2015)





IDB 1440H (2020) Vision Strategic Thrusts

- Reform IDB**
- Alleviate Poverty**
- Promote Health**
- Universalise Education**
- Prosper the People**
- Empower the Sisters of Islam**
- Expand the Islamic Financial Industry**
- Facilitate Integration of IDB MCs**
- Improve the Image of the Muslim World**

Engagement Process

Country Economic Work

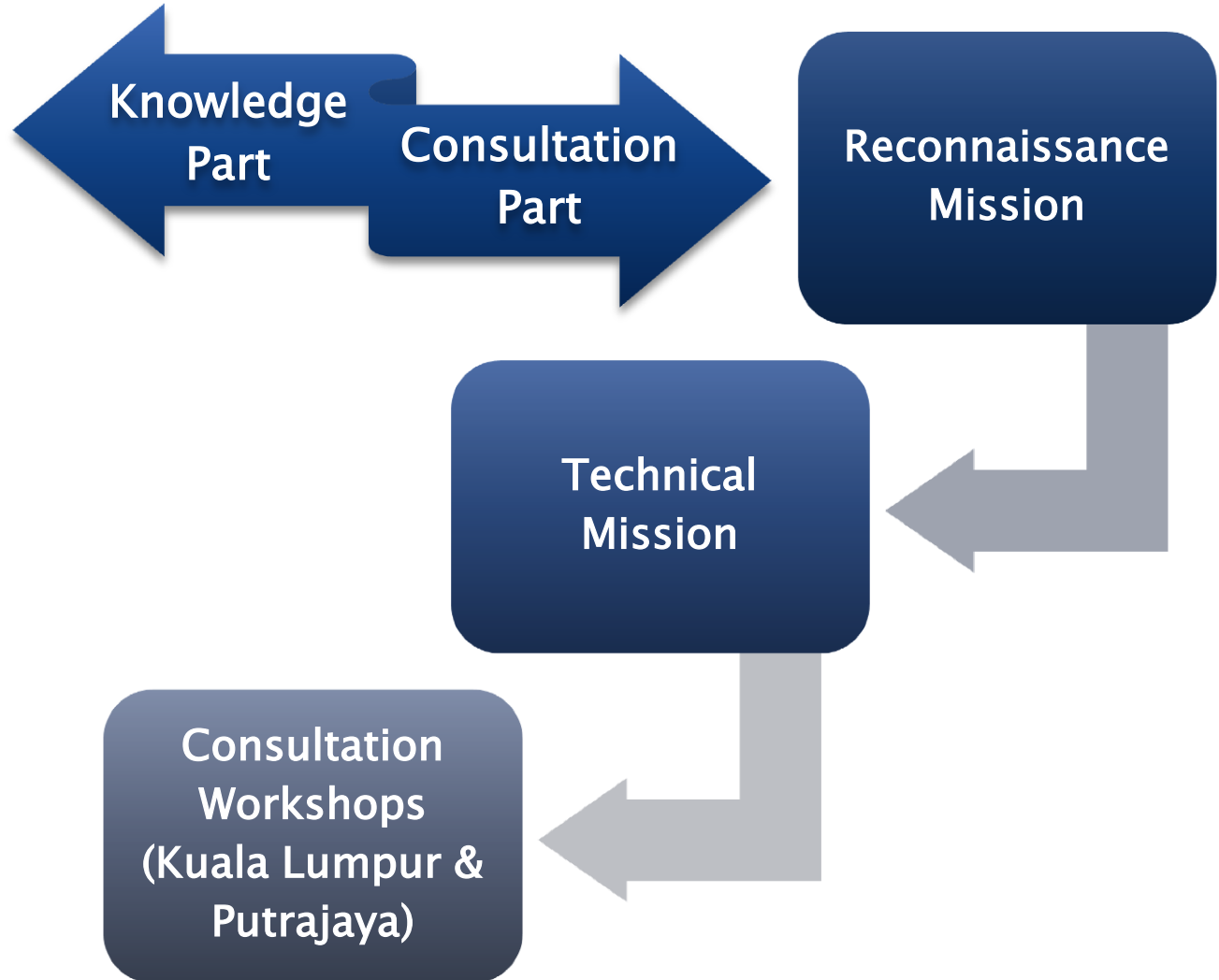
Diagnosing the Malaysian Economy:
Basis for the IDB Group
Member Country Partnership Strategy

Malaysia: Real GDP Growth and Per Capita Income

Year	Real GDP Growth (%)	Per Capita Income (US\$)
2000	5.0	2,500
2001	5.0	2,800
2002	5.0	3,100
2003	5.0	3,400
2004	5.0	3,700
2005	5.0	4,000
2006	5.0	4,300
2007	5.0	4,600
2008	5.0	4,900
2009	5.0	5,200
2010	5.0	5,500

Source: Economic Planning Unit, The Malaysian Economy in Figures (various issues)

Jumada-II 1433H (May 2012)



Centerpiece Approach of MCPS



Past

Reactive

Mainly Public Sector
Financing

Sectoral Concentration:
Transport, Comm.,
Education



Future

Aligning with Tenth
Malaysia Plan

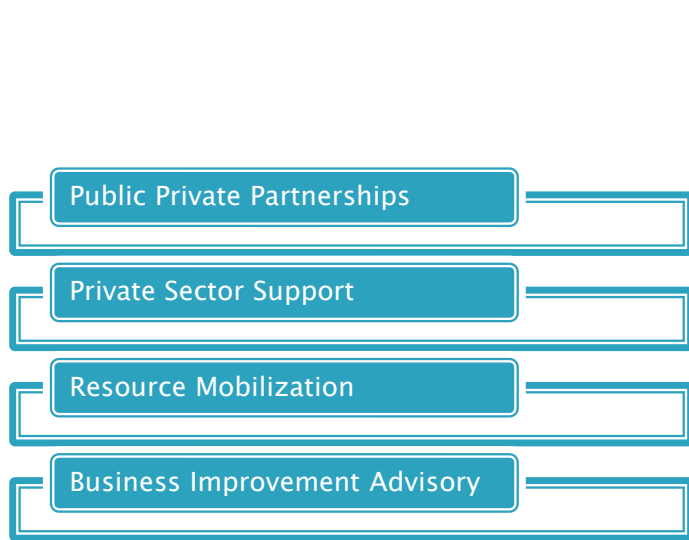
Mainly Private
Sector/PPP Financing

Sectoral Concentration:
Private Sector Development
and Reverse Linkages

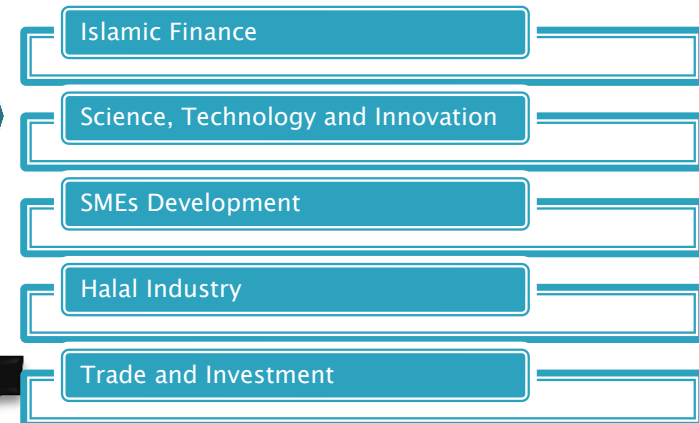
MCPS Architecture



Pillar I. Private Sector Development



Pillar II. Reverse Linkages



Partnering for
Achieving the
Status of High
Income
Country

**Unique
Distinctive**

Multi-Sector Programs

Focused Programs

**Aligned
Integrated**

Pillar 1. Private Sector Development



Focused Areas of Interventions (2012–2015)	Entity/ Division
<p>Public Private Partnership</p> <ul style="list-style-type: none">• Project Financing in core infrastructure (transport, energy, information and communication technologies and social infrastructure)• Exchange of expertise with the PPP Unit in Prime Minister's Department• Resource mobilization for the projects from local market through Sukuk	PPP Division ICD, ICIEC, ITFC Treasury Department

Pillar 1. Private Sector Development (Cont'd)



Focused Areas of Interventions (2012-2015)	Entity/ Division
<p>Investment, SMEs Development, Agriculture</p> <ul style="list-style-type: none">• Transfer of Knowledge, Expertise and Resources/Investment• Organizing Joint Investment Forums for Investment into/out of Malaysia• Investing in areas such as Oil, Gas and Energy - Renewable Energy; Palm Oil – for export/ trade; Financial Services – exporting the services; Business Services (Syndication, Co-Financing); Electronics and Electrical; Education – private Universities/school (Syndication, Co-Financing, Ijarah); Healthcare – private hospital (Ijarah); and Agriculture including food security• Advisory services for corporate clients to raise financing and establishing new partnership	PPP Division ICD, ICIEC, ITFC, Treasury Department

Pillar 1. Private Sector Development (Cont'd)



Focused Areas of Interventions (2012-2015)	Entity/ Division
<p data-bbox="79 382 768 439">Resource Mobilization</p> <ul data-bbox="104 501 1528 1210" style="list-style-type: none"><li data-bbox="104 501 1528 729">• Issuance of a new Malaysian Ringgit Sukuk (or foreign currencies swapped to MYR) to finance local currency projects<li data-bbox="104 786 1528 1015">• Participation in Sukuk issued by Malaysian Corporate, GLCs and the Malaysian Government in both domestic and global markets<li data-bbox="104 1072 1528 1210">• Facilitating member countries initiatives to issue Sukuk in the Malaysian market	<p data-bbox="1566 539 1850 886">PPP Division ICD, ICIEC, ITFC, Treasury Department</p>

Pillar 2: Reverse Linkages



Focused Areas of Interventions (2012–2015)	Government of Malaysia Ministry/ Department	IDB Group Entity/ Department/ Division
<p>Islamic Finance</p> <ul style="list-style-type: none"> • Building enabling environment for Islamic finance through technical assistance and capacity building with Malaysian Institutions such as Bank Negara, IBFIM, ISRA, IIUM, MIFC and IFSB • Replicating the successful Hajj financing model (Tabung Haji) in MCs and non MCs • Strengthening Islamic Financial Institutions through equity investment. • Exploring the opportunity of Malaysian Islamic Banks & Financial Institutions to invest in MCs • Institutionalization of Zakat and Waqf concept • linking Malaysian universities and training institutions specializing in financial industry to provide short courses, seminars, professional certifications in Islamic finance to institutions in various IDB MCs 	<p>Bank Negara Malaysia, IIUM, INCIEF, ISRA</p>	<p>IFSD, Investment Department, IRTI, ICD, ICIEC/ITAP</p>

Pillar 2: Reverse Linkages (Cont'd)



Focused Areas of Interventions (2012–2015)	Government of Malaysia Ministry/ Department	IDB Group Entity/ Department /Division
<p>Science Technology & Innovation</p> <ul style="list-style-type: none"> • Transfer the knowledge to other MCs in areas of Fisheries, Agriculture, Cyber Security • Transfer of FELDA model knowledge and expertise through joint ventures with member country, GLCs and private entities • Malaysia as bridge between IDB and Far East Economies in areas of Science Technology & Innovation 	<p>Department of Fisheries, MARDI, Cyber Security Malaysia, ISTIC, FELDA, MTCP</p>	<p>STC</p>

Pillar 2: Reverse Linkages (Cont'd)



Focused Areas of Interventions (2012–2015)	Government of Malaysia Ministry/ Department	IDB Group Entity/ Department /Division
<p>Halal Industries</p> <ul style="list-style-type: none"> • Development and promotion of a common Halal Quality Standards for both IDB MCs and non-MCs • Offering specialized training programs (i.e. international accreditation) for Halal Industry related to SMEs and Government institutions in member countries • Establishing one-stop center for the Halal Industry 	<p>HDC, Standard Malaysia, JAKIM</p>	<p>ICD ICIEC</p>
<p>SMEs Development in MCs</p> <ul style="list-style-type: none"> • National SME Development Council • SME Strategic Reform Initiative under “ New Economic Model” • Development Programmes by SME Corporation • Developing R&D Innovation Hub for OIC countries 	<p>National SME Development Council SME Corporation Malaysia</p>	<p>ICD ICIEC</p>



Quick Wins under MCPS

Provide potential debt and equity support to Perdana University Hospital Project subject to satisfactory due diligence (PPP)

MoU for Joint Venture Agreement between Tabung Haji (TH2.0) Sdn Bhd and Islamic Corporation for the Development of the Private Sector (ICD)

MoU between Export-Import Bank of Malaysia Berhad and Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC)

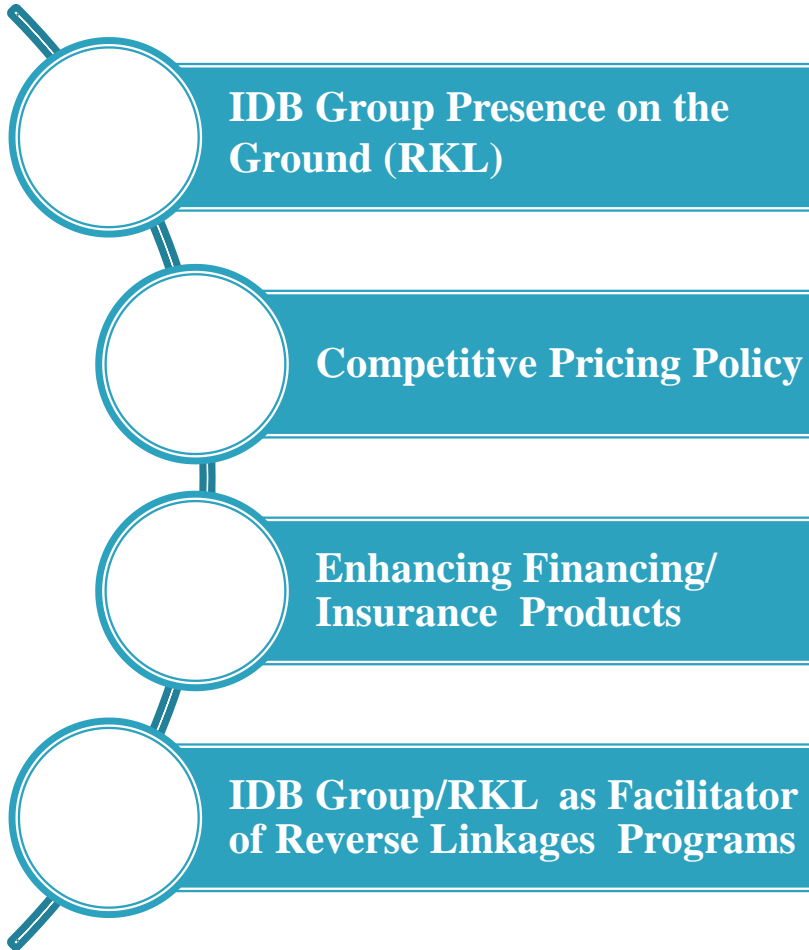
MoU renewal between The Islamic Development Bank Group and The World Islamic Economic Forum (WIEF) Foundation

MoU Between the IDB Group and Halal Industry Development Corporation Sdn Bhd

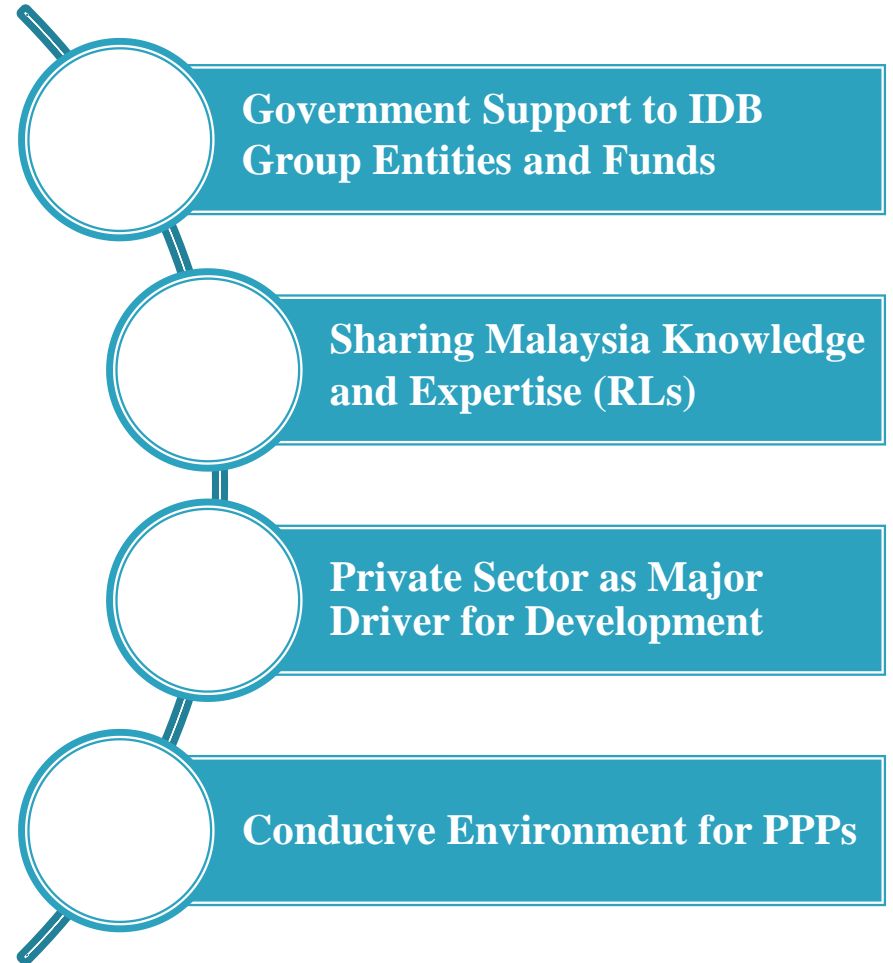


Key Success Factors

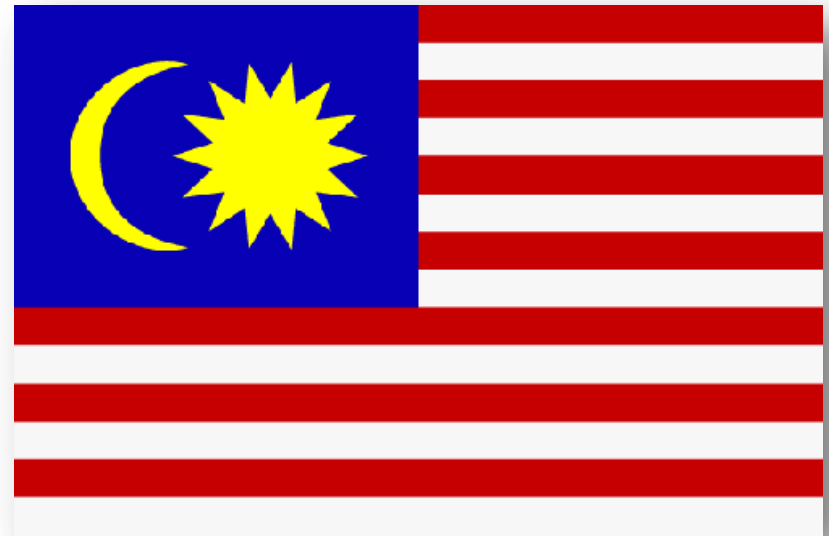
IDB Group



Government of Malaysia



Thank You!



Terima Kasih!