

M'sia to grow services sector to 58pct of GDP

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Prime Minister Najib Abdul Razak yesterday launched the Services Sector Blueprint and Logistics and Trade Facilitation Masterplan, which outlined the strategic steps to optimise the sector's contribution to the nation's economy.

The prime minister said the services sector was the main driver of the economy and key generator of job opportunities in the country and contributed 55 percent to the gross domestic product (GDP) in 2014 and provided eight million jobs.

"In 2020, the sector's contribution to the GDP is expected to increase to 58 percent, with growth of 6.7 percent annually for the 2016 to 2020 period," he said in his speech at the launch of the blueprint in Parliament yesterday.

He said the export of services had also increased by six percent per year and accounted for 15 percent of the country's total exports.

He said the services sector productivity still had room to grow when compared to countries with the same level of economy as Malaysia.

Najib, who is also Finance Minister, said the Services Sector Blueprint outlined several changes encompassing the sector through four main policies including internationalisation of services firms and effective investment incentive management.

It also outlined improving human capital development and integrated sectoral governance reform.

According to the prime minister, some 29 action plans would be implemented to support the four main policies, out of which 11 would be to stimulate services exports.

He said even though the tourism sub-sector was an important contributor to services exports, knowledge intensive sub-sectors such as information and communications technology (ICT), private education, healthcare, construction and professional services which had huge potential to drive exports growth would be given emphasis.

"At the same time, focus will be given to the logistics industry which has strong network with the other economic sectors," he said.

The prime minister also urged the industrial community to take advantage of the initiatives in the blueprint as announced in Budget 2015 in October last year, which could be accessed from April 2015.

Among the initiatives are the provision of RM5 billion under the Services Sector Guarantee Scheme, Research Incentive Scheme for Enterprises (RM10 million), Services Export Fund

(RM300 million) and Franchise Development Scheme (RM20 million).

Providing strategic direction

Meanwhile, Najib said the Logistics and Trade Facilitation Masterplan was formulated to provide strategic direction to increase economic efficiency and stimulate exports.

He said the strategic location of the country, regional relationship networking and good transportation infrastructure as well as economic stability gave Malaysia a huge potential as a regional logistics hub.

The prime minister said the implementation plan outlined five strategic direction to generate 146,000 new jobs which are mostly high-skilled by 2020.

He said to expedite the implementation of the masterplan, as the initial step, RM300 million would be allocated to improve the last-mile connectivity to Port Klang and RM12 million to upgrade the train terminal at Padang Besar. Najib said the transformation efforts outlined in the Services Sector Blueprint and Logistics and Trade Facilitation Masterplan showed the government's commitment in improving the rakyat's economy and standard of living.

- Bernama

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