

PM: Per capita income to hit RM49,500
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Malaysia's Gross National Income (GNI) is projected to increase close to RM1.7 trillion (US\$524 billion) in 2020 under the government's economic transformation programme from RM600 billion (US\$188 billion) last year, Prime Minister Najib Abdul Razak said today.

As a result, it would raise Malaysia's per capita income from RM22,000 (US\$7,000) to at least RM49,500 (US\$15,000) in 2020.

"To fulfil this high-income nation benchmark as defined by the World Bank, the country will need to grow at five to six percent between 2011 and 2020," the prime minister said in a statement following a cabinet National Key Economic Areas (NKEAs) workshop at the Putrajaya International Convention Centre today.

Najib, who is also finance minister, said a total funding of over RM2.2 trillion (US\$690 billion) was required for the economic transformation duration.

"The ETP will result in a significant growth in the job market, a shift towards higher paid jobs and strengthening of the skills base.

"The initiatives under the 12 NKEAs are projected to create an incremental 3.3 million jobs, of which 63 percent will be in the middle-and high-income segment compared to the current 43 percent.

"Forty-six percent of the new jobs will require a minimum of vocational or diploma qualifications," said Najib.

The 12 NKEAs laid down in the 10th Malaysia Plan are oil, gas and energy, palm oil, financial services, tourism, business services, electrical and electronics, wholesale and retail, education, healthcare, communications, agriculture and greater Kuala Lumpur.

92 percent private investment

Of the 12 NKEAs, 11 are industry sectors and one - Greater Kuala Lumpur - is a geographical area.

Consistent with the strategy to make the private sector the primary driver of economic growth, 92 percent of the NKEA funding will be private investment, with public funding taking up the remainder, he said.

In addition, domestic direct investment (DDI) will account for 75 percent of total private investment, with the remaining 25 percent coming from foreign direct investment, he said.

The DDI is expected to be funded by the 12 percent surplus between savings and investment as a share of Gross Domestic Product (GDP).

Najib said the ETP was the culmination of a substantial body of work to develop the government's economic agenda, building on the 10th Malaysia Plan, the New Economic Model (NEM), and the principles of 1Malaysia, People First, Performance Now.

NKEA Lab involves more than 500 participants from over 200 private sector companies,

government ministries, agencies and regulatory bodies as well as non-governmental organisations (NGOs).

"It has concluded its deliberations on July 30 and has delivered its Economic Transformation Programme roadmap to the government," he said.

The NKEA is a driver of economic activity that has the potential to directly and materially contribute to a quantifiable amount of economic growth.

Consensus on key growth sectors

The NKEA Lab was the follow up to the thousand-person workshop convened in May where consensus on key growth sectors was achieved.

Najib said NKEA has identified key iconic projects that would deliver the incremental GNI to achieve high-income nation status, details of which will be shared with the public during the ETP Open Days in the September-October period.

He said this unprecedented collaboration between the public and private sectors has identified specific projects and business opportunities underpinned by the 12 NKEAs laid down in the 10th Malaysia Plan.

The ETP marks a fundamental change in approach towards economic growth in order to achieve developed nation status in 2020. It is focused on action and contains well developed and specific deliverables to grow each NKEA.

The proposed ideas have been developed through close collaboration between the private and public sectors, and in quite a few cases, these projects have secured firm commitment from private sector investors.

"To ensure strong and transparent delivery, the Economic Transformation Unit (ETU) in Pemandu is tasked to deliver and monitor the progress of the programme, guided by clear and demanding Key Performance Indicators (KPIs) for each NKEA.

"Key to the economic transformation is exacting implementation and this we must deliver," the prime minister added.

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