

**Upbeat report card on National Transformation Programme**  
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**Full text of Prime Minister Datuk Seri Najib's speech is below**

KUALA LUMPUR: Prime Minister Datuk Seri Najib Razak on Monday presented a report card detailing the reforms his National Transformation Programme has brought to the nation including a 45% increase of income per capita and the elimination of hardcore poverty.

In a speech broadcast live on RTM1, TV3, and Astro Awani, Najib told viewers that per capita income had risen to USD9700 from the USD6700 it was at two years ago.

"We are on the correct trajectory to reach the per capita income of USD15,000 in 2020," he said during the launch of the 2011 annual reports for the Government Transformation Programme and Economic Transformation programme in Angkasapuri.

He also said the government had lifted 44,000 households from the 'hardcore poor' category, as well as embarked on various welfare initiatives such as the 1Malaysia Social Welfare (KAR1SMA) programme.

The seven National Key Result Areas (NKRAs) address the rising cost of living, reducing crime, fighting corruption, raising the living standards of low-income households, improving rural basic infrastructure, improving urban public transport, and improving student outcomes.

He said he would announce the minimum wage end of this month.

The Prime Minister also said that the government was committed to continuing the selective subsidy policies in place, which currently cover items ranging from foodstuffs like rice, sugar, cooking oil and wheat flour; to petroleum products including car oil, diesel and cooking gas.

"Prudent economic management and good revenue has allowed more than RM30bil to be allocated each year for direct subsidies to reduce the burden of life," said Najib, adding that the present government was a responsible one dedicated to the welfare of the people.

Najib also said that his government's transformation programmes had improved rural infrastructure, with 27,000 more rural households having electricity and more than 70,000 households having access to clean water, particularly in East Malaysia where access to water and electricity had been extended to over 250,000 and 230,000 residents respectively.

**Some highlights:**

\* RM3bil in direct handouts - including BR1M, book vouchers for varsity students - on top of RM30bil in subsidies, to ease cost of living

\* Street crime has gone down by 39pc while crime rate in general has decreased by 11pc since 2009

\* 77pc of all young Malaysian children went to pre-schools in 2011, up from the 67pc in 2010

\* Hardcore poverty, which previously affected 44,000 households, has been eliminated

\* Govt has achieved highest GDP since 1957 with RM852.7bil in 2011, recording highest ever revenue of 185.54bil

\* The FDI has increased 12.3% to RM33 bil since the launch of ETP until the end of 2011.

\* Private sector investment has increased 19% to RM94 bil.

\* A total of RM179 bil in investments have been announced as part of the ETP, expecting to generate 313,000 jobs.

**TRANSFORMATION: A JOURNEY** Bismillahirrahmanirrahim Assalamualaikum Warahmatullahi Wabarakatuh Salam Sejahtera dan Salam 1Malaysia.

Fellow Malaysians,

1.The Malaysian success story has been inscribed in gold. It was achieved through the contributions of all Malaysians right from Perlis to Sabah. In fact, it is the contribution of the people of 13 states and three Federal Territories who, despite being separated physically by the South China Sea, are united in spirit in the desire to be better today than yesterday, and a future that is full of hope under the sovereignty of the 'Jalur Gemilang'.

2.This success came about due to the efforts of the small, medium and large entrepreneurs who dared to take risks, it was achieved through the sweat of the farmers, padi growers, planters, breeders and fishermen who had worked tirelessly, it was contributed by the teachers, lecturers, journalists, artistes and intellectuals who educate and create awareness, it was also achieved through the sacrifices of the members of the armed forces and police who had staked their life out of their loyalty to ensure the security of our beloved nation, in short, the national success is the success built by all Malaysians.

3.Our duty today as the new generation of Malaysians who inherited the country from the past generation is most demanding, we are required to continue the noble task of building a Malaysian nation. We stand on the shoulders of the national patriots, the giant shoulders of the founders of Malaysia. We are faced with the trust and challenge of how to build upon the existing success besides continuing the process of change and national transformation.

My beloved fellow Malaysians,

4.Three years ago, I stood before you to deliver my maiden speech as the 6th Prime Minister of Malaysia.

5.In that maiden speech, I had outlined the principles that would guide the direction of the government under my leadership in moving ahead, the principles referred to is 1 Malaysia People First, Performance Now.

6.The basic philosophy which my colleagues and I had chosen as the thrust of this government, was the philosophy that leveraged on the existing plural society. It carried

the hopes that they would mould a better future. This philosophy was formed after feeling the pulse of the people, nurturing their aspiration and listening to their woes.

7. It was formed to tackle the three major challenges of the globalization era and the era of the borderless world, which was, firstly to strengthen solidarity among the plural Malaysian society. Secondly, to develop a government delivery system that truly embraced the aspirations of the people and thirdly, to take Malaysia out of the clutches of a middle-income nation which had engulfed many other countries in the world, where the rate of growth was becoming slower and development was static and in fact, in extreme cases, becoming regressive.

My fellow Malaysians,

8. Any change or transformation that we want to implement, must be based on the premise that as a multi-racial country, our survival depends on the continuity of a strong national solidarity based on the confidence that our plurality is a source of strength and not a weakness.

9. We must exploit the best talents out of the national talent pool to develop our country and to increase national wealth regardless of the race or beliefs of the contributors. Our first and last consideration should be whether they are citizens who are capable of contributing. Throughout the history of the country's development, from an agricultural nation with low income to an industrial country with a moderately high income, it had witnessed the contributions of all races and all religious beliefs.

10. The belief which I had stated openly that the era where the government knows everything, the era where the government has the monopoly on wisdom has ended.

Realising this fact, in formulating the first component of the National Transformation Policy, that is the Government Transformation Programme or GTP, we have created specific laboratories to obtain feedback from the people, on what actually are their priorities in terms of importance.

11. Following consultation with the rakyat, seven key result areas or NKRA had been identified for implementation. In order to achieve the KPI under the NKRA according to schedule or faster, the government had decided to adopt the national blue ocean strategy in several NKRA's.

My beloved fellow Malaysians,

12. Tonight, will mark the third year of my administration. I stand before you tonight to report what we have achieved after having carried out careful planning and strategic implementation.

13. The NKRA, which is being given priority, is to tackle the cost of living. The government is concerned as the people are facing the "crunch" from the pressures of the living cost, which is increasing by the day. It is affecting not only people in the urban areas, but also in the rural areas as well. The reality is, all segments of the society are affected by it. To ease this burden, the government has drawn up a short, medium and long-term plan to mitigate the problem.

14. Among the short-term "one-off" measures implemented in 2012 are the 1Malaysia People's Aid or BRIM, under which, RM500 is given to families earning less than RM3,000 a month. About four million households benefited from this aid.

15. In addition to the BRIM aid, the government also extended RM100 school assistance for every primary school pupil and secondary school student. This cash aid has benefited 5.3 million students nationwide. Students in tertiary learning institutions and Sixth Formers, they are not forgotten. Book vouchers worth RM200 are given to them. About 1.3 million students gained from the vouchers. All these assistance involved nearly RM3 billion.

16. The government also recently announced a 7-13 per cent salary rise for 1.4 million civil servants, which will benefit nearly four million Malaysians. Whilst for the private sector, I will announce implementation of the minimum wage at the end of this month.

17. As medium-term measures, the government has introduced several initiatives to ease the pressures of the cost of living, among them, 1Malaysia Kedai Rakyat, 1Malaysia Clinic, 1Malaysia People's Menu and the five-year freeze on toll hike in the North-South Expressway and the East Coast Highway and the abolition of toll on several roads such as the Cheras-Kajang Road and Connaught Road.

18. Over the long-term, realising that housing is the biggest component of the cost of living, the government has introduced the 1Malaysia Housing Scheme (PR1MA) to build affordable homes in urban areas for the middle-income group, while for low-income earners, schemes like the People's Housing Project under the Housing and Local Government Ministry will be increased. For rural housing programme, Syarikat Perumahan Negara will ensure that sufficient houses are built for the rural community. The government has also not forgotten the housing needs of fishermen. This year, RM300 million has been allocated under the Fishermen Special Housing Fund to build and repair their houses.

19. Apart from all the above stated initiatives, the government is also committed to pursue the subsidy policy for selected foodstuffs such as rice, sugar, cooking oil and wheat as well as petroleum products like petrol, diesel and cooking gas. The government also provides subsidy for electricity bills for one million households whose monthly bills are below RM20. All these subsidies entail a cumulative allocation of more than RM30 billion a year.

20. The present government is a caring and a responsible government. Prudent economic and revenue management have made it possible for more than RM30 billion to be allocated every year for direct subsidies to lighten the people's pressures of life and nearly RM3 billion to be given directly to the people this year.

Fellow Malaysians.

Second, the NKRA aimed at reducing crime rate.

21. The government has adopted an innovative and creative measure via the national blue ocean strategy to increase the presence of more policemen at hotspot areas. This strategy has clearly resulted in reducing street crime rate by as much as 39 per cent while overall crime reduced by 11 per cent since 2009.

22. The move to reduce the street crime rate witnessed a new era of cooperation between the Malaysian Armed Forces and the Royal Malaysian Police where existing military training centres have been used to train police personnel. The outcome, more police personnel not only can be trained at minimum cost and at a faster pace but also deployed to required areas. Under the blue ocean strategy, joint patrol with the police, army as well as RELA and Civil Defence Department personnel, specially trained under the supervision of the Royal Malaysian Police, were undertaken to curb crime. As part of

the move to reduce the crime rate, innovative and modern technology such as closed circuit television will be installed more widely.

Third, the NKRA aimed at enhancing student performance.

23. For the first time in the country's history, primary and second school education is now provided free. The government allocates large sums of money each year to the education sector. As a result, 77 per cent of our children have obtained pre-school education against 67 per cent, two years ago. The government realises that children are the nation's "jewels". Early education will probably ensure that children have the competitive edge in the future.

24. The government also realises the importance of the role assumed by teachers in ensuring a quality education system. In realising this fact, I announced a time-based teaching career path in the 2012 Budget and reiterated the commitment in my speech to members of the civil service recently.

Fourth, the NKRA aimed at upgrading basic rural infrastructure.

25. The government has never forgotten the rural community. The government's concern was evident when the Ministry of National and Rural Development was formed in 1959. In the last three years, efforts to enhance basic rural infrastructure has gathered momentum with focus being placed in Sabah and Sarawak.

26. To date, almost 1000 kilometers of rural roads have been built. This is the longest total stretch of roads to be built within two years in the country's history. As a comparison, the total stretch is longer than the current North-South Highway. Using the blue ocean strategy, the Malaysian Armed Forces "Jiwa Murni" (Noble Soul) project helped build the rural roads. For example, Long Lopeng to Ba'kelalan, Kuala Medalam to Medamit, Limbang and Kampung Saeh, Bekenu, Miri.

27. Since the implementation of the NKRA three years ago, 27,000 rural households have been enjoying electricity supply and more than 70,000 households have received clean water supply. All these efforts have given more Malaysians access to clean water. In Sabah, the increase was 8 per cent and it involved more than 150,000 residents. For Sarawak, the growth was 5.3 per cent which involved about 100,000 people. Meanwhile, for states in the Peninsular, the increase is 3.6 per cent which involved more than 250,000 people. For electricity supply, Sabah and Sarawak recorded a growth of 6.8 per cent and 6.2 per cent, which benefited more than 230,000 people.

28. To accelerate rural development, the government launched the Rural Development Transformation Programme as part of the National Transformation Policy. Under the programme, rural transformation centres (RTC) have and will continue to be built. The first RTC was launched in Gopeng, Perak, and the next will be launched in Kota Bharu and several others locations have also been identified. Respected Malaysians,

Fifth, the NKRA aimed at improving public transportation.

29. To improve the quality of the people's lives especially in urban areas, the government will implement several large public transportation projects. The most important project will be the My Rapid Transit (MRT) project which is a long-term comprehensive public transportation project in the history of the country's public transportation system. The first phase of the project is expected to be completed within five years.

30. Meanwhile, the government has taken steps to improve the Light Rail Transit from two coach trains to four coach trains and the extension of both the Kelana Jaya and Ampang Jaya lines which will benefit more than 500,000 commuters daily during peak hours. 31. For the KTM commuter service meanwhile, new coaches have been purchased and will be received in stages. This will enhance quality and comfort of commuter services. These steps are expected to enhance comfort to almost 100 thousand users daily. KTM also is in the process of completing the double-tracking and electrification process for the Ipoh-Padang Besar route.

32. Under this NKRA also, the Government has introduced the Bus Expressway Transit (BET) that will benefit 370,000 users each day.

Sixth, NKRA whose objective is to enhance social status of low-income households

33. The war against poverty has been launched systematically and continuously since independence. It has been implemented more systematically starting with the New Economic Policy (1971-1990). The NEP's second objective is to reduce and subsequently eradicate hardcore poverty. Praise be to Allah, we managed to eradicate hardcore poverty we removed over 44 thousand households from the category. Nevertheless, we remain on the watch out for new cases that may happen.

34. The government has also implemented various initiatives, such as the 1AZAM that has benefited over 47,000 households involving an expenditure of over RM500 million. Meanwhile, under the Kebajikan Rakyat 1 Malaysia or KAR1SMA, some RM1.4 billion is allocated annually to 500 thousand aid recipients nationwide.

Seventh, NKRA whose goal is to eliminate corruption

35. The government is committed to eliminate corruption. Corruption is like cancer that afflicts the country's survival and development. It can destroy people's harmony. The government never gives favours in the fight against corruption. Never has the question arisen that action is only taken against "anchovies" while "sharks" are being let off scot-free. Until the end of 2011, a total of 900 offenders had been convicted. The government has set up a special court to speed up corruption trials. Meanwhile, the capability of the Malaysian Anti Corruption Commission has been enhanced.

36. Besides the GTP that was introduced in 2009, the government in 2010 also introduced the Economic Transformation Programme (ETP) together with 12 National Key Economic Areas (NKEA) and 131 Economic Entry-Point Projects (EPP). Complementing it is the New Economic Model (NEM) and 8 Strategic Reform Initiatives (SRI).

37. The main goal of the ETP and NEM is to get Malaysia out of the middle-income trap and put the country on the right track towards achieving Vision 2020 to become a high-income developed country.

38. The NEM and SRI are like an expressway. While the ETP is the vehicle that will use the expressway that will take us to the final destination, namely a high-income and developed country. The 12 NKEA under the ETP is the engine parts of the vehicle. While the EPP is the fuel that will move the vehicle. For Malaysia to become a developed country, all components including the vehicle, engine, fuel and highway must be in the best condition.

39. The change and reform that we undertake through the ETP and NEP initiatives in the past 2 years have shown very encouraging results. For example, the World Economic

Forum report for 2012 saw Malaysia rise 5 notches in the World Economic Competitiveness list compared to the year before. Malaysia today is among 21 most competitive countries in the world.

Meanwhile, the World Bank in its "Doing Business 2012" report acknowledges Malaysia the 18th easiest country to start or run a business. We have overtaken developed countries like Germany, Japan, Taiwan and France. Consulting firm A.T Kearney has also recognised Malaysia as among the top 10 countries in the Foreign Direct Investment Confidence Index for 2012.

40. When the ETP was launched two years ago, the country's per capita income was US\$6,700. Today, it has risen to US\$9,700. The 2011 data also shows the highest GDP as well as GNI achievements since independence. The GDP figure reached RM852.7 billion while the GNI was RM830.7 billion. These achievements have enabled the government to collect the highest revenue in history, post-independence, which is RM185.54 billion, thus allowing the implementation of numerous incentives for the benefit of the people, and measures to improve the government's fiscal position. It is therefore proven by what has been achieved in this timeframe, that we are on the right trajectory to achieve the per capita income of US\$15,000 in the year 2020.

41. Since the launch of the ETP in 2010 until at the end of 2011, foreign direct investments have shown an increase of 12.3 per cent to RM33 billion while private investment was up by 19 per cent to RM94 billion. A total of 313,000 new job opportunities are expected to be created from the total of RM179 billion worth of investments announced under the ETP. A total of RM129 billion gross national income would have been generated by the year 2020.

42. To further strengthen the integrity of plans following the implementation of government transformation programmes, especially the GTP and ETP, an audit process has been carried out by an international firm, PriceWaterhouseCoopers, and reviewed by an International Panel comprising experts among them from the United Kingdom, the United States, Australia, and South Korea.

My fellow Malaysians,

43. All the things which I have stated just now are a clear proof of the openness, transparency and accountability of the government. This government has been frank to Malaysians about what are the problems and challenges the country is facing, and we have drawn up a holistic plan to deal with all the challenges which we have identified.

44. All these initiatives under the umbrella of the National Transformation Policy have been drawn up with reasons and objectives. In any case, the government of the day is very clear about the direction the country is taking, which is to become a high-income developed nation.

45. We aspire for a country which has modern basic infrastructure, enjoyed by all Malaysians either in the interior, rural areas, suburbs or in urban areas. We dream of a country that is peaceful, one that has a clean environment and has an efficient transportation system. We want a country where the road is safe, the water supply is clean, has sufficient electricity supply, access to broadband Internet, and has the best health service and the best education. We want a country where the workers, especially the younger generation, have ample job opportunities and with commensurate wages, where the minimum wages will be above the poverty level, and where higher skills means higher reward.

46. The government of the day is not afraid to compete in the democratic arena. Isn't this the government which has abolished the ISA, the Restricted Residence Act, the

Banishment Act, which has revoked three emergency declarations, and enacted the Peaceful Assembly Act to protect the rights of citizens to gather and to express their opinion as provided for under the Federal Constitution. And further, amended the University and University Colleges Act to recognise the constitutional rights of students to become members of political parties, and amended the Printing Presses and Publications Act to do away with the requirement for an annual renewal of publication licence.

47. The fact is, the government of today is elected in a democratic way in a free and fair general election. We, therefore, are not afraid or frightened to compete in a free and competitive market of ideas. We have full confidence in the wisdoms of Malaysians to choose and to weigh their options. They will be able to distinguish a diamond from a piece of glass. We believe the people will elect a government which has a track record in putting the people's interests above all.

48. The government which I'm leading is not a reckless populist government devoid of any responsibility. This government, in drawing up policies, in spending the nation's money, will not ever bankrupt the nation. We have and we will be frank with the people about what we can and what we cannot do; on the contrary, it is all very easy for certain parties to promise the moon, stars and the galaxy without thinking about the consequences.

49. The journey towards the national aspirations to become a developed country is now only eight more years to complete. Like the vehicle analogy just now, we need a high-performance vehicle, quality engine components, enough fuel, clear destination and the best highway. Nevertheless, I would like to remind that we also need an adept driver who is able to interface all these factors to ensure the vehicle is able to reach its destination safely at the stipulated time. Let us not, therefore, experiment and change the driver who has proven his ability, with another who is doubtful and dangerous.

50. Accordingly, let's not ever make a wrong choice. Be careful with the tales being told by the "tukang karut" (people who make false promises). They only know how to make a promise but will never keep their word. They are never consistent with their practice and rhetoric. Be careful with the tunes played by the pied pipers, they may be a spellbinding music to the ears but they are full of deceptions and deceptions.

My beloved Malaysians,

51. Indeed, our future and that of our children depends on the decision we make today. In conclusion, the government of the day is a responsible government, a government that is trustworthy, and most importantly, this government keeps its promise.

Thank you. Wabillahitaufik Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.

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