

11MP mid-term review to recalibrate, realign initial goals - economists

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KUALA LUMPUR, Oct 18 (Bernama) -- Prime Minister Tun Dr Mahathir Mohamad will unveil the mid-term review of the 11th Malaysia Plan (11MP) 2016-2020 in Parliament today.

The report will likely entail the mid-term achievements of the 11MP, as well as priorities going forward by the new government.

Malaysian Industrial Development Finance Bhd Chief Economist Dr Kamarudin Nor expects recalibration and realignment of the initial goals and objectives in the mid-term review against what had been achieved in the last two-and-a-half years.

“Against the backdrop of volatility on the external front, as well as moderation in global growth, we anticipate lower medium-term growth trajectory for the remaining of the 11MP.

“The review also presents an opportunity for the government to pursue and prioritise areas of concern such as diversifying revenue sources, optimising expenditures, as well as managing the debt effectively,” he told Bernama today.

Balancing between pursuing growth objectives and fiscal discipline will be rather tricky and vital, he said, adding that the review would enable the government to focus on institutional and structural reforms.

On the stock market perspective, Hermana Capital Bhd Chief Executive Officer and Chief Investment Officer Datuk Dr Nazri Khan Adam Khan said the 11MP mid-term review would provide the added boost to regain investors’ confidence, especially that of foreign investors.

"We expect there will be new policies and incentives, especially to boost foreign direct investments (FDIs) so that Malaysia would remain attractive to foreign investors.

"We also would expect a reversal of the previous Barisan Nasional government's policies which had focused more on labour intensive industries, as well as the construction of mega projects," he said.

Hence, Nazri Khan expects the new government to incorporate part of Pakatan Harapan's promises in its manifesto in the 14th general election, among others, to attract more high-technology and less labour intensive industries.

"I think there will be more high-tech and capital-intensive industries. We will expect more high-tech, more innovative and knowledge-based sectors to be given more priority," he said, adding that the new government would announce more policies to tackle the rising cost of living, as well as unemployment.

Going forward, he expects more special tax exemptions to be given to investment-related industries, especially for foreign investors.

"Hopefully, this can cushion the rising outflow of funds that we saw over the last six months," he said.

Launched on May 21, 2015, the 11MP is Malaysia's five-year development plan aimed at achieving Vision 2020 based on the National Development Strategy of Malaysia which focused on the development of people-based and capital-based economy with the implementation of high-impact projects.

The 11-MP reaffirms the government's commitment to a vision of growth, anchored on the prosperity and wellbeing of the people towards realising Vision 2020 and a comprehensive development.

Productivity and innovation are the basic pillars for the plan based on six strategic thrusts, namely enhancing inclusiveness towards an equitable society; improving wellbeing for all; accelerating human capital development for an advanced nation; pursuing green growth for sustainability and resilience; strengthening infrastructure to support economic expansion; and re-engineering economic growth for greater prosperity.

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