

# TENTH MALAYSIA PLAN

2011 - 2015



People First,  
Performance Now







MALAYSIA

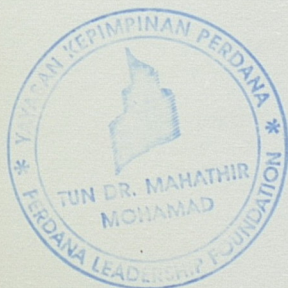
# TENTH MALAYSIA PLAN 2011-2015

Published by  
THE ECONOMIC PLANNING UNIT  
PRIME MINISTER'S DEPARTMENT  
PUTRAJAYA  
2010

PUSTAKA PERDANA



1007973



ISBN 978-967-5842-00-9



For further information refer to:

Director General,  
Economic Planning Unit,  
Prime Minister's Department,  
Block B5 & B6,  
Federal Government Administrative Centre,  
62502 Putrajaya,  
MALAYSIA.

<http://www.epu.gov.my>  
email: [epu@epu.gov.my](mailto:epu@epu.gov.my)

Tel.: 603-8872 3333  
Fax: 603-8888 3755

Released on 10 June 2010

Sale copies are obtainable from:

General Manager,  
Percetakan Nasional Malaysia Berhad,  
Jalan Chan Sow Lin,  
50554 Kuala Lumpur.

Tel.: 603-92366895

FAX: 03-92224773

Price: RM 80

Publisher's Copyright ©

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means electronic, mechanical, photocopying, recording and/or otherwise without the prior permission of **Economic Planning Unit, Prime Minister's Department, Malaysia.**



Printed by  
Percetakan Nasional Malaysia Berhad,  
Kuala Lumpur, 2010  
[www.primnasional.com.my](http://www.primnasional.com.my)  
email: [cservice@primnasional.com.my](mailto:cservice@primnasional.com.my)



**Prime Minister  
Malaysia**

## Foreword

The Tenth Malaysian Plan sets another historical milestone as our nation embarks on an important mission towards a progressive and high-income nation, as envisioned in Vision 2020. We have achieved great strides in economic and social development in the past 53 years of nation building, but today we face a different dimension of new challenges. We can no longer rely on past strategies and approaches that had previously driven our economic growth. Malaysia needs a new approach, a new enthusiasm and a new determination driven by the 1Malaysia spirit, to propel Malaysia into the next level of high growth.

The Tenth Malaysia Plan houses the aspirations of both the Government Transformation Programme and the New Economic Model, premised on high income, inclusiveness and sustainability. It charts the development of the nation for the next five years, anchored on delivering the desired outcomes for all Malaysians. The Tenth Plan sets the stage for a major structural transformation that a high-income economy requires. The Plan contains new policy directions, strategies and programmes that enable the country to emerge as a high income nation. The national development programmes are attuned to the six National Key Results Areas, outlined in the Government Transformation Programme, the National Key Economic Areas of the Economic Transformation Programme and the strategic economic reforms in the New Economic Model. The Plan details strategies towards a more focused role for the Government as a regulator and catalyst while upholding the principles of 1Malaysia: People First, Performance Now to ensure effective delivery of services.

For Malaysia to be a high-income nation, we must be able to compete on a regional and global stage. This requires redoubling our effort to attract investment, drive productivity and innovation. The foundation of any productive high-income economy lies in a globally competitive, creative and innovative workforce. To achieve this, an integrated approach to nurturing, attracting and retaining first-world talent base will be implemented. The creativity, energy and initiative of the private sector will be harnessed as the primary driver of Malaysia's growth aspirations. We will remove structural barriers and outdated regulations in order to create an efficient and flexible business environment for the private sector.

Economic growth will also be more targeted with efficient use of resources on sectors that Malaysia has the competitive advantage. Specific cities and urban clusters will be developed into vibrant, productive and liveable cities comparable to other major cities in the world. This is critical in our mission to attract talent, firms and investments to Malaysia. Investment in infrastructure to connect rural areas to urban clusters will be increased to ensure inclusiveness in the sharing of economic benefits. The Government is also committed to uplift the livelihoods of the bottom 40% of households, irrespective of ethnicity, background or location, through income and capacity building programmes, strengthening the social safety net and addressing the needs of the disadvantaged groups. The agenda to create a robust and vibrant Bumiputera Commercial and Industrial Community (BCIC), as well as ownership of equity and other sources of wealth, will continue with a fresh approach, in line with the current global environment and national priorities.

In implementing this Plan, critical decisions in bringing change will inevitably need to be made. Hence, I urge all Malaysians to join hands and put forward our best in seizing the opportunity available to us – to make these difficult changes – for the future of our children and the future of our country.

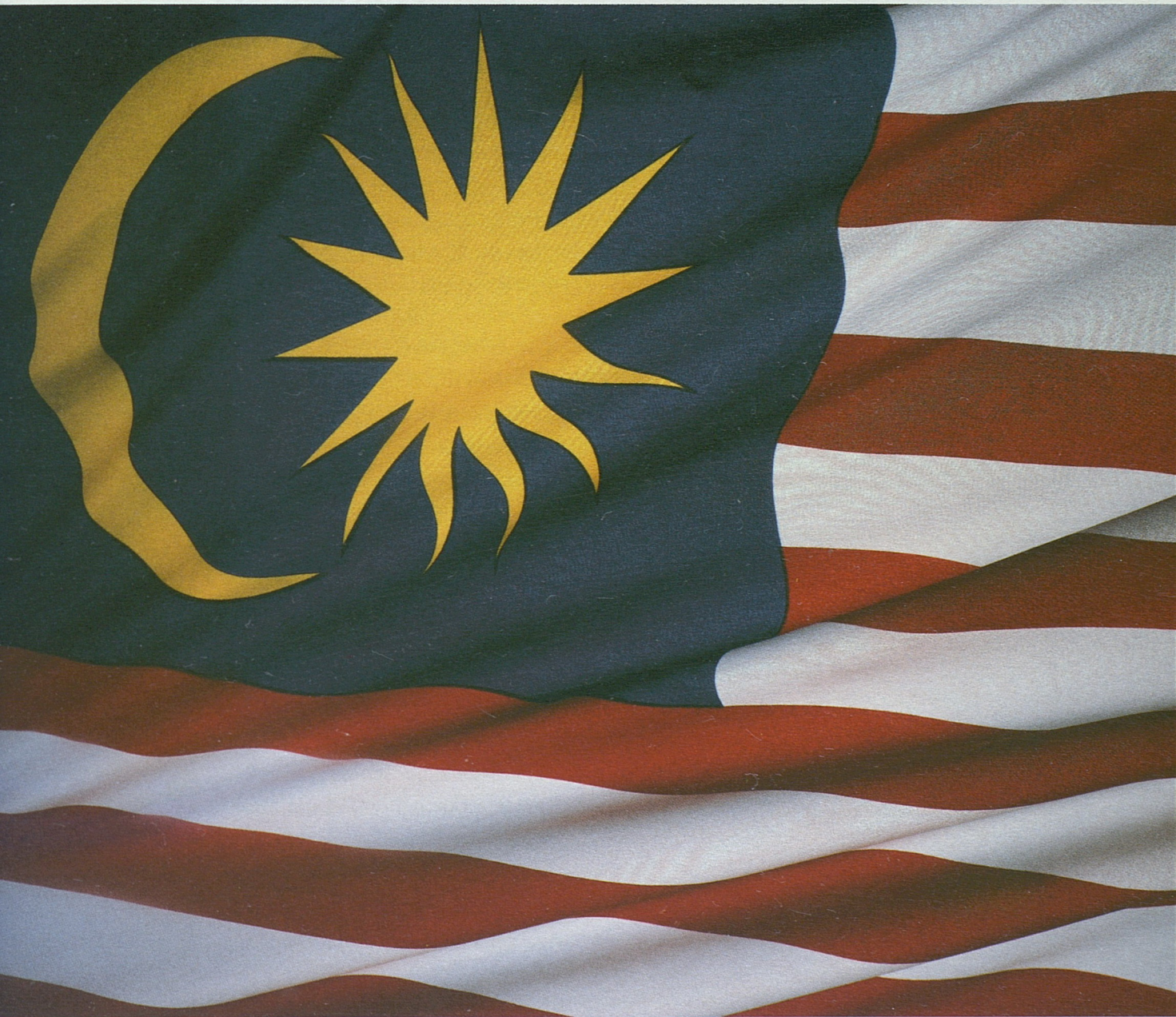


**DATO' SRI MOHD NAJIB BIN TUN ABDUL RAZAK**

Prime Minister, Malaysia

Putrajaya

10 June 2010





# Table Of Contents

## CHAPTER 1

### 1 MALAYSIA: CHARTING DEVELOPMENT TOWARDS A HIGH-INCOME NATION 2

#### 10 BIG IDEAS 8

1. INTERNALLY DRIVEN, EXTERNALLY AWARE 9
2. LEVERAGING ON OUR DIVERSITY INTERNATIONALLY 11
3. TRANSFORMING TO HIGH INCOME-THROUGH SPECIALISATION 14
4. UNLEASHING PRODUCTIVITY LED-GROWTH AND INNOVATION 16
5. NURTURING, ATTRACTING AND RETAINING TOP TALENT 17
6. ENSURING EQUALITY OF OPPORTUNITIES AND SAFEGUARDING THE VULNERABLE 18
7. CONCENTRATED GROWTH, INCLUSIVE DEVELOPMENT 20
8. SUPPORTING EFFECTIVE AND SMART PARTNERSHIPS 24
  - Catalysing and Accelerating Strategic Private Investments 24
  - Partnering to Advance Industry and Economic Development 24
  - Collaborating to Support Public Delivery and Social Development 25
9. VALUING OUR ENVIRONMENTAL ENDOWMENTS 26
10. GOVERNMENT AS A COMPETITIVE CORPORATION 29

## CHAPTER 2

### BUILDING ON THE NATION'S STRENGTHS 34

#### LOOKING BACK: ACHIEVEMENTS UNDER THE NINTH MALAYSIA PLAN 36

##### *Macroeconomic Performance During the Ninth Plan* 36

- Growth Predominantly Driven by Domestic Demand 37
- Slower External Sector Performance 39
- Sectoral Performance Led by the Services Sector 40
- Challenges in Fiscal Consolidation 42

##### *Progress of the National Mission* 44

- Thrust 1: Moving the Economy Up the Value Chain 44
- Thrust 2: Raising the Capacity for Knowledge and Innovation and Nurture 'First Class Mentality' 46
- Thrust 3: Addressing Persistent Socio-Economic Inequalities Constructively and Productively 47
- Thrust 4: Improving the Standard and Sustainability of Quality of Life 48
- Thrust 5: Strengthening Institutional and Implementation Capacity 51

## CHAPTER 3

<b>PROSPECTS DURING THE TENTH MALAYSIA PLAN, 2011-2015</b>	<b>52</b>
<i>Facing a Challenging Global Economy</i>	52
<i>Transforming the Malaysian Economy</i>	53
Maintaining Full Employment	55
Pushing for Productivity-led Growth	55
Enabling Greater Dynamism of the Private Sector	56
Sustaining Growth in Private Consumption	57
Diversifying Export Markets	58
Sustaining a Surplus in the Balance of Payments	59
Achieving Sectoral Targets	60
Enhancing Efficiency of Fiscal Policy	61
<b>MOVING FORWARD</b>	<b>64</b>
<b>CREATING THE ENVIRONMENT FOR UNLEASHING ECONOMIC GROWTH</b>	<b>68</b>
<b>CREATING A PRIVATE SECTOR-LED ECONOMY</b>	<b>72</b>
<i>Modernising Business Regulation</i>	72
<i>Liberalising the Services Sector</i>	75
<i>Removing Market Distortions by Rationalising Subsidies</i>	76
<i>Introducing Competition Legislation</i>	77
<i>Improving the Interface Between Government And Business</i>	77
<b>SUPPORTING INNOVATION-LED GROWTH</b>	<b>80</b>
<i>Shaping a Supportive Ecosystem for Innovation</i>	80
Education and Training	81
K-infrastructure	81
Trade and Investment Policy	81
Insolvency Law	82
Incubator Programme	82
K-SMEs	82
<i>Creating Innovation Opportunities</i>	83
Public Procurement	83
Regulation	83
Putting In Place Innovation Enablers	85