

By : **DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK
PERDANA MENTERI MALAYSIA**

Venue : **DEWAN TAKLIMAT, TINGKAT 1, BLOK TIMUR, JABATAN PERDANA MENTERI**

Date : **11/01/2011**

Title : **3RD ECONOMIC TRANSFORMATION PROGRAMME UPDATE**

1. Sejak pelancaran Program Transformasi Ekonomi pada 25 Oktober 2010, saya telah pun mengumumkan 18 Projek Permulaan dan perkembangan berkaitan untuk menjayakan agenda transformasi negara ini. Pada ketika kita menghampiri 100 hari semenjak pelancaran, saya amat berbesar hati untuk mengumumkan 19 lagi Projek Permulaan serta perkembangan berkaitan pada pagi ini.

2. Kesan daripada Program Transformasi Ekonomi kian ketara. Keyakinan sektor perniagaan dan para pelabur terhadap ekonomi Malaysia kini semakin tinggi. Ini boleh kita lihat daripada prestasi Bursa Malaysia yang telah mencecah tahap penutup tertinggi pada 7 Januari iaitu 1,572.21 mata.

3. Sementara itu, Laporan Perniagaan Antarabangsa Grant Thornton yang terkini menunjukkan 50 peratus perusahaan sederhana hingga besar (atau *medium to large enterprises*) positif tentang prospek ekonomi Malaysia pada tahun ini, tahap keyakinan tertinggi untuk Malaysia sejak penyertaan kita dalam laporan tersebut.

4. Mengikut Frost & Sullivan, jumlah keluaran industri automotif (atau *total industry volume, TIV*) diunjurkan mencecah paras tertinggi baru sebanyak 623,000 unit tahun ini, peningkatan 4.1 peratus berbanding TIV 2010.

5. Petanda-petanda positif ini amat menggalakkan dan kerajaan akan terus berusaha sehingga matlamat untuk menjadikan Malaysia sebuah negara berpendapatan tinggi tercapai.

Ladies and gentlemen,

6. This time around, the 19 projects and developments will come from 10 National Key Economic Areas. Combined, they will contribute almost RM67 billion in investment, RM36 billion in gross national income and 35,000 in new jobs.

7. Some of these projects have been announced or profiled in the media previously. They include the independent deepwater petroleum terminal in Pengerang, Teluk Datai Resorts in Pulau Langkawi, AUO SunPower solar cell fabrication facility in Melaka, High-Value Herbal Plantation in Terengganu, Mass Rapid Transit dan Talent Corporation.

8. Nonetheless, they are components of the Economic Transformation Programme ecosystem and it is important to aggregate their impact to present the complete picture of progress made since the previous announcement. It is also appropriate to announce them now as the necessary approvals required by these projects have been obtained.

9. Leading the announcement are four Entry Point Projects and developments under the Oil, Gas and Energy National Key Economic Area. In November, I announced new tax incentives under the Petroleum Income Tax Act (PITA) to promote development of new oil and gas resources, incentivise development of technically challenging resources and further stimulate domestic exploration activity.

10. In line with this, ExxonMobil Exploration and Production Malaysia Inc., a subsidiary of Exxon Mobil Corporation, in conjunction with its production sharing contract partner, Petronas Carigali Sdn Bhd, plans to invest over RM10 billion in new oil and gas assets to help ensure reliable and sustainable energy supplies for Malaysia.

11. This capital expenditure commitment will be utilised to rejuvenate mature facilities and undertake enhanced oil recovery activities in the Tapis field and the Telok gas development project. Located offshore Peninsular Malaysia, the Telok project is being developed under a gas production sharing contract to provide additional supplies for Malaysia's power and industrial needs and will promote organic growth of the natural gas sector.

12. Another large player in this industry, Shell Malaysia, will also be investing RM5.1 billion in multiple projects to upgrade, expand or build facilities in upstream, midstream and downstream activities across Malaysia. These include the expansion of the Shell MDS wax plant in Bintulu, a new diesel processing unit at the Shell Refinery in Port Dickson and the Gumusut deepwater development offshore Sabah.

13. Further activity in this sector will see Dialog Group Berhad leading a consortium comprising the State Government of Johor and Vopak to develop a RM5 billion independent deepwater petroleum terminal project in Pengerang, Johor. This project will have a total petroleum storage capacity of five million cubic metres and will catapult Malaysia into the ranks of a regional oil storage hub. I expect significant multiplier effects from the Pengerang project to cascade to the entire economy and under the Economic Transformation Programme, it is expected to generate RM1.6 billion in gross national income by 2020.

14. The government is studying the possibility of deploying nuclear energy to meet future demand and diversify the energy mix for Peninsular Malaysia. To spearhead the initiative, I am pleased to announce the formation of the Malaysia Nuclear Power Corporation in which Dr Mohd Zamzam bin Jaafar has been appointed as its Chief Executive Officer. Dr Mohd Zamzam will lead the planning based on the current development timeline of 11 to 12 years, from pre-project to commissioning.

Ladies and Gentlemen,

15. Under the Business Services National Key Economic Area, we want to establish Malaysia as a world-class data centre hub. Our aim is to increase sales of Malaysia data centre floor space and today, I am pleased to announce that MyTelehaus, CSF Group and Teliti data centres will help Malaysia close in on this aspiration. With investments of over RM671 million collectively, these three organisations will develop new and upgrade existing facilities to supply 475,000 square feet of data centre floor space to cater to the increased demand.

16. Turning to healthcare, UM Holdings Sdn Bhd, a corporation wholly-owned by Universiti Malaysia, will establish the Universiti Malaya Health Metropolis in Petaling Jaya, Selangor. Integrating healthcare, bio-research and post-graduate education, the project aims to elevate the standards and quality in these areas to be among the best in the world. It is benchmarked against Harvard's Longwood Medical Centre and Stanford's Bio-X Centre, two of the global best-in-class examples. The RM1.25 billion, two million square feet purpose-built facility, will be developed in collaboration with 32 healthcare, academic and technology partners.

17. Still on healthcare, generics export is a strategic opportunity for Malaysia with a global market worth RM435 billion over the next 10 years, catalysed by the patent expiration of major blockbuster drugs. Hovid Berhad, a home-grown pharmaceutical company, has entered into a joint venture with Winthrop Pharmaceuticals, a subsidiary of Sanofi-Aventis, a global pharmaceutical company. The joint venture will manufacture and supply generic drugs for diabetes and pain management worth RM50 million over the next five years.

Ladies and gentlemen,

18. Malaysia is recognised globally as one of the leading tourism destinations and this sector is the fifth largest contributor of gross national income to Malaysia presently. Just recently, I announced that Teluk Datai Resorts Sdn Bhd and its partners will invest RM1 billion in the Teluk Datai master development plan. To be completed by 2014, the five-year plan will see the expansion and upgrading of the existing Teluk Datai Resorts' hotel and golf course as well as the construction of new hotels.

19. Today, I am pleased to announce that the YTL Group, after the recent Hotel Majestic announcement I made in November 2010, will build the Pulau Gaya Resort. Set amidst rainforest on the idyllic island off the coast of Kota Kinabalu, this RM75 million property will be a deluxe family resort that will certainly help to boost tourist receipts in Sabah.

20. In the Electronics and Electrical area, I recently had the pleasure of officiating the opening of the AUO SunPower solar cell fabrication facility in Melaka, a joint venture between SunPower Corporation of the USA and AU Optronics Corporation of Taiwan. Scheduled to be fully operational in 2013, the RM2.2 billion facility is expected to produce high-efficiency solar cells that generate more than 1,400 megawatts annually.

Ladies and gentlemen,

21. We aim to transform the agriculture sector into agribusiness, a model which is inclusive but simultaneously anchored on market-centricity, economics of scale and also value chain integration. To this end, I am pleased to announce that the East Coast Economic Region Development Council has received approval to develop a High-Value Herbal Plantation on 461 hectares in Pasir Raja. This project will cultivate seven types of herbs in high demand, create 285 jobs and ensure the availability of a ready source of raw material as Malaysia moves up the value chain to become a leader in the production of nutraceuticals and botanical drugs. It will also contribute about RM2.2 billion in gross national income by 2020.

22. Moving on to Communications Content and Infrastructure, SelecTV will invest RM30 million to create an effective and sustainable internet protocol TV platform to distribute Malaysian content such as TV programmes and documentaries to about 20,000 hotel rooms in Malaysia, Thailand, Indonesia and the Middle East. The IPTV platform will also allow travellers to enjoy advanced in-room entertainment and communication services during their stay in these hotels. This project will see a gross national income of RM90 million by 2020.

23. Another major contributor to gross national income is the wholesale and retail sector. In this area, the current MINES Resort City will be expanded and transformed into the MINES Wellness City, an integrated health and wellness resort city, south of Kuala Lumpur. It aims to be the location of choice for those who seek lifestyle and fitness counsel, health foods, retail, green homes, recuperation and rehabilitation. With an investment of approximately RM3 billion by 2020, this project will contribute about RM5 billion of gross national income over the next 10 years.

Ladies and gentlemen,

24. The 10th Malaysia Plan has set a target for a 40% skilled workforce by 2020. Skill training is, therefore, critical to achieve this target. In this context, the Jabatan Pembangunan Kemahiran will launch Skills Malaysia 2011, an initiative to raise awareness and showcase the vocational opportunities for students who have completed their SPM and upgrades for unskilled workers. This initiative is a component of the larger Entry Point Project on private skill training provision that is expected to generate RM2.1 billion in gross national income in 2020 and creating 12,400 jobs in the process.

25. To enable Greater Kuala Lumpur/Klang Valley's initiative to attract 100 multinational companies to establish their headquarters here, the city needs adequate supply of top-grade office space and supporting amenities. To this end, Guocoland Berhad will invest RM1.9 billion in an integrated development called Damansara City, located in Pusat Bandar Damansara. Comprising two office blocks of 560,000 and 285,000 square feet each, a 290,000-square feet retail block, a 300-room hotel and a 260-unit serviced apartment block, this project is expected to be launched this year.

26. In recent times, you would have read a lot of news on the Mass Rapid Transit and the establishment of Talent Corp, which fall within the Greater Kuala Lumpur/Klang Valley National Key Economic Area.

27. I cannot stress enough the importance of the MRT as a pre-requisite to an economically vibrant and liveable Kuala Lumpur. Connectivity is absolutely critical for urban growth and improved productivity.

28. The MRT will employ about 130,000 people at its peak construction phase, with a significant multiplier impact on associated industries. An investment of RM36.6 billion will see an incremental gross national income contribution of RM21.3 billion, come 2020.

29. The Economic Transformation Programme requires a lot of skilled talent including local talents, the Malaysian diaspora and foreigners to fill the 3.3 million positions that will be created by the various National Key Economic Areas. To this end, we have established Talent Corporation, a new government agency under the stewardship of Johan Mahmood Merican as the Chief Executive Officer, to strategise and implement initiatives to engage and attract the best talents.

Ladies and gentlemen,

30. As you can see, the Economic Transformation Programme has started the year very strongly by going into overdrive and is surging ahead with more Entry Point Projects and developments.

31. As the saying goes, the proof of the pudding is in the eating. By kick-starting these projects as well as the earlier announced projects, the economic effects will soon be tangible.

32. We are completely focused on results and by delivering them, I hope to galvanise the majority of Malaysians who are believers and also convert the minority naysayers to join this cause. After all, this is a national transformation agenda and we must get everyone on board, in the true spirit of 1Malaysia, People First, Performance Now.

Thank you.

Wabillahitauq Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.