

**Keynote address by
YAB Dato' Sri Mohd Najib Tun Razak
Prime Minister of Malaysia
at Launch of Economic Transformation Programme Roadmap**

**Putra World Trade Centre
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3.00 pm**

Bismillahir Rahmanir Rahim
Assalamualaikum Warahmatullahi Wabarakatuh
Good afternoon and a warm 1Malaysia greeting.

1. Alhamdulillah, let us praise the Almighty that with His blessings, we are able to gather for this meaningful occasion. This afternoon, we will witness a glorious starting point in the development journey of our beloved country. 20 years ago, our country has promised to achieve a hope based on a vision; a noble vision built on the aspirations of Malaysians to build a nation that is peaceful, advanced and independent.

Ladies and gentlemen,

2. Now, only 10 years separate us in our journey towards the date of destiny, year 2020. We do not have much time. To set us in the right direction, I have introduced four strategic thrusts to help transform Malaysia and put us on track towards the noble end goal.
3. First among equals, is the concept of *1Malaysia, People First, Performance Now*. This call asks for all Malaysians to be united, putting harmony and efficient governance right at the forefront. The 1Malaysia concept is the core philosophy that drives the roadmap of the country.
4. I then introduced the Government Transformation Programme, which is the implementation map to improve the performance of the Government engine to fulfil the aspirations and wants of the *rakyat*. And today, I will introduce the Economic Transformation Programme as the basis to propel Malaysia towards a developed, high-income nation status. All the transformation programmes that I mentioned are anchored by a fourth component, the 10th Malaysia Plan, which is the prime mover to drive the implementation of both national transformation programmes.
5. Let me spend some time on the Government Transformation Programme. This programme is the answer to real needs and wants of the *rakyat*. Six National Key Result Areas (NKRAs) were identified: reducing crime, fighting corruption, improving education outcomes, raising living standards of low-income households, improving rural basic infrastructure and improving urban public transportation. Many have doubted whether we have the ability and will to carry out the programme. Today, I am pleased to say we have. Speaking of transformation, let me share with you the NKRA achievements nine months on since the commencement of its implementation.

6. For the first time in three consecutive years, index crime has dropped by 16 per cent while street crime has dropped by 38 per cent for the first nine months' of its implementation. Ridership of the Light Rapid Transit has increased by a phenomenal 2.4 million. 54,569 children have benefitted from 1,358 pre-school classes while 9,816 schools have been ranked.
7. The hardcore poor have been reduced further by 49 per cent. As part of our measures to fight corruption, 3,716 public contracts have been published online. 648 persons have been arrested for corruption, with 208 being convicted and publicly shamed by being highlighted on the MACC website, complete with their identity card numbers and pictures, under a preventive name-and-share measure.
8. There are many more achievements under the various NKRA initiatives of the Government Transformation Programme. What I have mentioned already highlights that the GTP is beginning to bear fruits, though it has only been several months since the commencement of its implementation.
9. I would like to congratulate the six lead ministers of these NKRA's, the civil servants and PEMANDU, and I urge you to go even further forward. You have won some battles, but the war is not over.

Ladies and gentlemen,

10. Let me now turn to the economy, which is the focus of our event today. Malaysia has done very well in the past 20 to 30 years. We are one of only 13 countries in the world to have sustained growth of over seven per cent for 25 years or more since 1945. We are no longer a poor country; the United Nations reported that our incidence of poverty has dropped from 49.3 per cent in 1970 to 3.8 per cent in 2009.
11. Based on the Gini coefficient measure, our income disparity has narrowed from 0.513 in 1970 to 0.441 in 2009. On the other hand, our average income household has moved from RM1,582 in 1980 to RM4,025 in 2009.
12. Nonetheless, in the recent years, we have come to realise that Malaysia's economy is facing the middle-income trap. Malaysia can no longer be driven by past strategies based on labour intensive models. We need to take the high-skill, high-income route quickly to become and remain competitive in the global economy.
13. Transformation is critical. Failure is not an option, as we will be left behind by other countries in this region. To achieve high-income nation status, we need to grow our Gross Domestic Product by no less than six per cent per annum over the next 10 years. We must grow the economic activities and pie substantially.

14. In this way, everyone in this country can benefit - whether you are a farmer in Sarawak or a business executive in Kuala Lumpur and regardless of your ethnicity or social status. This is the essence of inclusiveness, so that no Malaysian is left behind by the main wave of development.

15. We need and we urge the private sector to reclaim their effective role as the main engine of growth for the economy, in line with the strategy that I had announced earlier in the 10th Malaysia Plan. So, how do we achieve high-income nation status?

Ladies and gentlemen,

16. In May this year, more than 1,000 people from both the public and private sectors, non-government organisations and the civil society arrived at a consensus. They identified 12 National Key Results Areas (NKEAs) that will contain specific and concrete projects to propel us towards becoming a high-income nation. NKEAs are drivers of economic activities that can contribute directly and materially to the economic growth of the country.

17. These 12 NKEAs are Oil, Gas and Energy; Palm Oil; Financial Services; Wholesale and Retail; Tourism; Business Services; Electrical and Electronics; Communications Content and Infrastructure; Healthcare; Education; Agriculture; and Greater Kuala Lumpur/Klang Valley.

18. There is a very good reason why we arrived at 12 NKEAs. These 12 NKEAs will contribute 73 per cent of the GNI required to achieve high-income nation status in 2020. They will be the growth engines that will drive the entire economy forward.

19. The detailed results from the 1,000-person workshop as well as the 500-person labs are contained in the Economic Transformation Programme, which sets out a roadmap for Malaysia, over the next 10 years.

Ladies and gentlemen,

20. What we are doing here is unprecedented. Let me tell you six things that are unique about the Programme.

21. First, this is a Programme, not a Plan. It has specific projects and action items, complete with timelines, project owners and targets. It is not merely a strategic intent, document or blueprint. It contains 131 Entry Point Projects, 12 lab reports, 60 Business Opportunities, all aiming to create 3.3 million incremental jobs. It is ready for action.

22. Two, the ETP is anchored on GNI, which is measurable. Our target is US\$15,000 per capita GNI in 2020 and the ETP provides a clear roadmap. Over the next 10 years, the 131 Entry Point Projects and the 60 Business Opportunities will generate incremental US\$138 billion and US\$112 billion in GNI respectively. Combined with the organic growth from both NKEAs and non-NKEAs, the total GNI in 2020 is projected to hit US\$523 billion.

23. Three, the ETP is co-created by the private sector, based on an open and transparent approach, which is market-friendly as well as merit and needs-based. As mentioned earlier, the ETP underwent a 1,000-person workshop and a 500-person two-month lab. It is co-created by the private sector, completely from the ground up.
24. In the spirit of transparency, the ETP was extensively syndicated with 13,000 *rakyat* through Open Days. The ETP roadmap will be made readily available to the public and where government contracts are awarded, we will continue to publish them on the Government Portal.
25. Four, the ETP shifts the role of the government from one of a financier to a facilitator to reduce public sector expenditure. The good news is 92 per cent of the investment will come from the private sector. 73 per cent of that will come from Domestic Direct Investment. I have met many investors and listening to what they are saying, we must create the right environment for them to invest productively.
26. Five, the ETP is inclusive and for all Malaysians. By this, I mean that every Malaysian will benefit, in big and small ways, the positive outcomes from the implementation of the ETP projects.
27. The 131 Entry Point Projects are spread all across the country. 68 Entry Point Projects will impact Sarawak while 71 Entry Point Projects will impact Sabah. 106 of these Entry Point Projects benefits mainly the urban communities while 25 benefits the rural communities. This is broadly in line with our urban-rural population ratio.
28. Specifically for the rural communities, the Entry Point Projects will create an estimated 323,596 new jobs. It will also benefit the Native Customary Rights land owners, particularly in Sabah and Sarawak.
29. We hope the ETP will also tap the power of Malaysian women. Only 3.95 million from 8.66 million women between the ages of 15 to 64 are currently employed. As the saying goes, women hold up half the sky and we must get them into the workforce.

Ladies and gentlemen,

30. It is clear that the ETP will include all segments of the society. The impact of development will be enjoyed by every Malaysian; no one will be left behind by the wave of economic achievements of the country.
31. I will now share with you some of the big and small Entry Point Projects. Of the 131 EPPs, I would like to highlight six examples.
32. Under project TUKAR or *Transformasi Kedai Runcit* under the Wholesale and Retail NKEA will modernise and assist 50,000 small retailers to keep them competitive in the modern retail era. This is an example of a project which will help SMEs. The GNI impact in 2020 is expected to be RM5.5 billion and it will create 51,544 new employment opportunities.

33. Under the Agriculture NKEA, the Integrated Zone for Aquaculture project will replicate 1,000 hectares of certified bio-secure zones to produce fully traceable and certified shrimps for the premium export markets, in several locations around the country. We have identified specific locations for large scale execution such as Pitas, Sungai Telaga and Sungai Padas in Sabah as well as Batang Ai and Tanjung Manis in Sarawak. This project is targeted at the rural population. Its GNI impact in 2020 is estimated at RM1.2 billion and it will create 11,890 employment opportunities.
34. To grow health tourism in Malaysia, 35 existing hospitals in Malaysia have been earmarked to promote health travel under the Healthcare NKEA. Its GNI impact in 2020 is estimated at RM4.2 billion and it will create 5,295 employment opportunities.
35. In 2009, our tourist receipts were RM53.4 billion. To further promote Malaysia as an attractive Asian tourist destination, an iconic Malaysia Truly Asia Centre will be set up in Kuala Lumpur to house the best of Malaysia's culture and entertainment. This is part of the Greater Kuala Lumpur/Klang Valley NKEA. It is expected to contribute a GNI of RM233 and create 1,700 incremental jobs in 2020.
36. Under the same NKEA, 140 km of MRT lines connecting various places in Kuala Lumpur will be build to revitalise Kuala Lumpur through economic multiplier effects and to make Kuala Lumpur one of the most liveable city in the world. This will greatly improve urban public transport as we expect the population of Greater KL/Klang Valley to increase from six million to 10 million by 2020. Its GNI impact is estimated at RM21.2 billion in 2020, with the creation of 20,000 new jobs.
37. A 305-acre fully integrated education hub comprising universities and institutions, research and development, and other facilities will be given a further boost under Educuity@Iskandar initiative of the Education NKEA. A GNI of RM1.0 billion is expected, with 1,164 new jobs.
38. And there many, many more Entry Point Projects in the ETP roadmap. To ensure this important information reaches all segments of the society, we have created three versions of the ETP roadmap: a 605-page book for the avid readers, a 55-page executive summary for the lazy and a six-minute video for the very lazy people.
39. I urge all of you to read it. And, if you do not find something for yourself, do not despair. Entry Point Projects are merely identified projects to kick-start the ETP. As we move along, more and more projects will be included. If you are in business, you can come forward with your project proposals where you need help from the Government and if public funding facilitation is justified from GNI and job creation perspectives, we will provide the support.
40. These projects will have catalytic effects. They will benefit both the big players and small players. In other words, they will benefit all people as they are not all about mega projects. The examples I have mentioned earlier clearly shows this. And the process has just started. Under the 2011 budget, RM6.0 billion has been allocated to catalyse the Entry Point Projects. This is part of the eight per cent public funding that will catalyse a further 92 per cent private sector investment.

41. Six, the ETP will create new and higher paying jobs. A total of 3.3 million new jobs will be created, of which 63 per cent will be in the middle and higher income segments compared to 43 per cent currently. 46 per cent of these jobs will require vocational and diploma qualifications. 600,000 people will be moved out of the lowest income segment and the bottom 40 per cent of population will enjoy higher income levels.
42. In addition, we have created the Talent Corporation to retain and attract the best talent for Malaysia. If in the past, we said that the grass is greener on the other side, we hope to ensure that the grass is greener at home with the ETP.
43. Those are the unique features of the ETP. Now, will the private sector really bite?
44. We certainly think they will. Based on our tracking, 53 Entry Point Projects with a total investment value of USD97 billion, almost 45 per cent of the total investment targeted, are already in various active stages of engagement.
45. Let me showcase some of the early wins. This afternoon, I will officiate these projects with the various companies, who have confirmed their investments.
46. LFoundry from Germany will relocate and invest in five wafer fabrication plants in Kulim Hi-Tech Park, Kedah, over the next five years. Initial investment is valued at RM214 million while the total estimated investment is RM1.9 billion. This will boost the Electrical and Electronics industry in Malaysia.
47. MYDIN, a large local Wholesale and Retail player, has agreed to invest in 14 new branches over the next three years valued at RM1 billion, and also assist the small sundry shops via Project TUKAR.
48. A 208-room hotel and 160-unit residence, to be managed St.Regis, an international six-star hospitality brand, will be built on a 2.2-acre site in KL Sentral. This RM1.2 billion investment will have a total development area of 1.4 million square feet.
49. Schlumberger, a renowned oilfield services player, recently opened their Eastern Hemisphere Global Financial Services Hub in Bandar Utama. This is part of the Greater KL/Klang Valley Entry Point Project to attract 100 new MNCs to relocate its operations in Kuala Lumpur by 2020.
50. Malaysia Airports Holdings Berhad has awarded a 25-year concession to WCT to build and operate an integrated complex at KLIA2. The RM486 million-complex will comprise a transportation hub for taxis and buses, one block of retail mall and car parks.
51. Mubadala will collaborate with 1MDB to develop the KL International Financial District (KLIFD), valued at RM26 billion, on a 34-hectare site located near Jalan Tun Razak.
52. Premium Renewable Energy will build five bio-oil plants over the next five years. The first plant costing RM124 million will be located in Lahad Datu, Sabah.

53.Asia e-University has been appointed by the Ministry of Higher Education as the gateway university, for the development of online and distance learning. The initiative is expected to produce a GNI of RM100 million.

54.Johor Premium Outlets will be located in Genting Indahpura, Johor, a mixed development township which will feature amongst others; a hotel, international water theme park and retail outlets. This will attract more tourists to visit Johor, especially from Singapore. The construction and investment cost undertaken by Genting is RM150 million.

55.This shows that the ETP is already showing results. We will be announcing more confirmed investments in the next few months.

Ladies and gentlemen,

56.We are proving the sceptics wrong. The early wins show that by focusing on action and not unproductive talks, debates and arguments, results will flow. This is in line with the philosophy of 1Malaysia, People First, Performance Now.

57.A clear governance structure is absolutely critical for the success of the ETP.

58.On my part, I will personally ensure that my Ministers monitor the performance of our EPPs and investment, and this is part of their KPIs. In fact, I have already conducted two rounds of performance reviews sessions with all my Ministers and this will continue once every six months.

59.More importantly and in addition to the Cabinet meetings, I also chair the weekly Economic Council meetings, where every progress of the ETP will be closely monitored. We will make sure that the civil servants and people on the ground move and support the private sector needs.

60.We will ensure the big projects are conducted in an open and transparent way. To ensure level playing field, we will use competitive tender as the "default" process. Only in exceptional cases, we will resort to restricted or direct negotiations.

61.Soon, we will launch the Whistleblower Protection policy a deterrent against corruption. The Whistleblower Protection Act has been approved by the Parliament and the Senate and we are finalising the standard operating procedure for its implementation.I hope this will embolden all of you to report corrupt practices, without fear.

62.So far, the rakyat has given us positive feedback on the ETP. More than 13,000 people attended our Open Days in Kuala Lumpur, Kuching and Kota Kinabalu.

63.On the weighted average score, 75 per cent believed that the ETP is a viable programme to transform the country.

64.71 per cent agreed that the ETP will create a more balanced and sustainable economic structure.

65. 73 per cent believed that the ETP will pave the way for Malaysia to become a high-income economy by 2020.

66. I am aware that in any transformation journey, the sceptical minority are much louder than the silent majority. The sceptics do not believe we can deliver. I have taken a big risk in announcing a detailed programme in a voluminous roadmap document. This shows we are transparent and are prepared to be held accountable to the *rakyat* to fulfil our promises. In fact, the introduction of the detailed roadmap is a signal of my confidence that every Malaysia – whether in the private or public sector – will join forces to make the programme a success.

Ladies and gentlemen,

67. As Prime Minister, I am aware that Malaysians have high ambitions and hopes. We have successfully lifted our esteem, from a small and poor country to a developing country that is respected around the world.

68. However, as Malaysians, we must not rest on our laurels and continue to work hard. We must be confident and stand tall among other nations on the world stage. We must feel that we are qualified to at the forefront of the global arena and not merely be a follower.

69. 10 days ago, I tabled the 2011 Budget. Today, with the launch of the Economic Transformation Programme, the Government is clearly showing that a bright future for our country is not merely a pipe dream. The ETP roadmap is not a blurred statement of intent but a directional map that is clear and structured. It will lift Malaysia further in the eyes of the world.

70. The time has arrived for all Malaysians to eliminate your scepticism and suspicions.

71. There is no point to be vortexed in unproductive talk and debates. Open your hearts and do not kill our spirits.

72. Instead, we must bury our differences and strengthen our resolve. Our future is in our hands. Let us join forces as we march towards the goal of making the country a developed nation by 2020.

I hereby launch the Economic Transformation Programme roadmap.

Wabillahitaufiq walhidayah wassalamualaikum warahmatullahi wabarakatuh.

Thank you.