Key Executive Summary Of The 9th Malaysia Plan

The 9th Malaysia Plan is organised according to the thrusts of the National Mission. The following are the key highlights and programmes of the Ninth Malaysian Plan under each of the five thrusts:

THRUST 1: TO MOVE THE ECONOMY UP THE VALUE CHAIN

The 9th Malaysia Plan will see changes in the structure and improved performance of the economy with every economic sector achieving higher value added and total factor productivity.

INCREASING THE VALUE ADDED OF MANUFACTURING, SERVICES AND AGRICULTURE

Manufacturing

Application of high technology and production of high value added products will be given emphasis. Measures will be undertaken to migrate the electrical and electronics industry (E & E) towards high technology and higher value added activities.

Services

To expend the services section beyond its current concentration in Klang Valley, the South Johor Economic Region will be developed into a vibrant regional services hub, leveraging on its prime location and natural advantages.

Agriculture

During the 9th Malaysian Plan period, the agriculture sector will be revitalised to emerge as the third pillar of economic growth. The new agricultural programme will be undertaken, which will include greater orientation towards more modern and commercial scale production.

Generating New Sources Of Wealth Technology-and Knowledge-intensive Sector

Economic activities within the field of ICT will be developed and further strengthened, building upon Malaysia’s strength. The current plan will also emphasise developing the biotechnology industry, in line with the National Biotechnology Policy launched in 2005.

Enhancing Job Creation

The promotion and development of new economic sub sectors in manufacturing, services and agriculture will be undertaken with job creation as a priority.

GIVING A LEAD ROLE TO THE PRIVATE SECTOR IN ECONOMIC DEVELOPMENT

Enhancing the Development of Small and Medium Enterprises

Development of small and medium enterprises will be a key priority during the 9th Malaysia Plan period.

Increasing Public-Private Sector Partnership

Public and private sector partnership will be further strengthened towards nation building during the plan period. The public and private sectors will increase collaboration, particularly in the areas of R & D, human capital development and the fulfillment of socio-economic objectives, including the eradication of poverty.

Improving The Business Environment

The efficiency of the public services delivery system is important to enhance the business environment. Improvements to the public sector delivery system will be made through the removal of unnecessary bureaucracy and reform of district and local authority administration.

INCLUDING EXCELLENCE AND A HIGH PERFORMANCE CULTURE

Government-Linked Companies (GLC) Transformation

The GLC transformation programme initiated in May 2004 was aimed at infusing a culture of high performance. This plan will be intensified in the 9th Malaysia Plan including the usage of Key Performance Indicators (KPI).

Enhancing Corporate Governance

The Government will continue to promote strong stewardship and corporate governance in the private sector. Corporate law reform programmes initiated by the Government will continue to be implemented.

EXPANDING THE MARKET FOR MALAYSIAN PRODUCTS AND SERVICES

Promoting Outward Investments

Private sector companies and GLCs will be encouraged to venture abroad to secure business and investment opportunities. This move will increase access to new markets.
Responding Competitively To International Trade Commitments

Malaysia's commitments under the World Trade Organisation, the Association of Southeast Asian Nations (ASEAN) Free Trade Area, and other FTAs will be expanded.

**THRUST 2: TO RAISE THE CAPACITY FOR KNOWLEDGE AND INNOVATION AND NURTURE “FIRST CLASS MENTALITY”**

In the 9th Malaysia Plan, efforts will be intensified to develop the country's human capital in order to drive the transformation to a knowledge-based economy.

**IMPROVING THE ACCESS TO AND QUALITY OF THE EDUCATION SYSTEM AT ALL LEVELS**

Curriculum And Teaching

During the 9th Plan period, the implementation of the National Pre-school Curriculum will be accelerated to ensure standardisation and quality.

Making National School The School Of Choice

To make national school, the school of choice, the quality of teaching in national schools will be improved with 100% and 25% teachers in secondary and primary schools, respectively, having a first degree by 2010.

Nurturing Top Quality Research And Development, And Scientific And Innovation Capability

Strengthening Policy Commitment

During the plan, the Government will place emphasis on human resource capacity building and on strengthening the National Innovation System. National Innovation Council will be established to provide leadership in the formulation of policies and key strategies.

Enhancing Research And Development Capabilities

The 9th Plan targets national R & D expenditure of 1.5% of Gross Domestic Product by 2010. To reap the value of this investment, research and innovation capability will be strengthened.

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**Brief Overview of The Eighth Malaysian Plan 2001-2005**

At the onset of the Eighth Plan, global economic growth slowed due to a decelerating US economy and dampened global electronics demand, exacerbated by the attacks of September 11, 2001. Overall economic performance remained sluggish until the second half of 2003, weighed down by the invasion of Iraq and the regional outbreak of Severe Acute Respiratory Syndrome (SARS). Global growth thereafter was relatively firm despite escalation in crude oil prices from the second half of 2004.

The Malaysian economy managed to sustain growth during the Eighth Plan period due to stronger macroeconomic fundamentals and increased resilience following the lessons learnt from the Asian financial crisis. Achievements include:

- 4.5% per annum real Gross Domestic Product (GDP) growth, slightly above the revised target rate;
- Increase in GNP per capita in current prices of 5.7% per annum to RM17,687 in 2005;
- Broad-based growth, with nearly all sectors equalling or surpassing their revised growth targets;
- Strong exports, resulting in a 61.4% growth of the trade surplus, and the doubling of the balance of payments surplus and the volume of international reserves;
- Low inflation, averaging 1.8% for the entire Eighth Plan period;
- Low unemployment of 3.5% by the end of 2005;
- Greater progression to higher value added activities in key economic sectors; and
- Improvement of the business environment including increased supply of skilled labour, higher physical infrastructure capacity and better investment incentives.

The steady economic growth enabled the achievement of several socio-economic objectives:

- Overall poverty declined from 8.5% (1999) to 5.7% (2004);
- Hardcore poverty declined from 1.9% (1999) to 1.2% (2004);
- Mean household income increased 5.6% per annum on average, exceeding real GDP growth;
- Inter-ethnic income disparities narrowed;
- All the millennium development goals were achieved ahead of the 2015 target with exception of the reversal of HIV/AIDS;
- Provision of housing, medical services and basic amenities improved significantly; and
- Rural-urban income disparity, however, continued to widen.

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Promoting Technopreneurship And Technology Based Enterprises

The Technology Incubator Programme will be enhanced to develop a sustainable pool of indigenous technopreneurs and technology-based companies. It will be integrated into the broader strategy of enhancing utilisation of new knowledge and technology produced by universities and research institution.

EMPOWERING WOMEN AND YOUTH

Towards the further advancement of women, more education and training opportunities will be made available to women to increase their employability.

Youth programmes will focus on vulnerable groups, which include those dropping out of education system and the unemployed.
Reducing Income Disparity

To reduce disparities between rural and urban areas as well as between less developed and more developed regions, the Government will increase the allocation for rural development and for comprehensive development of the less developed state.

Reducing Employment Disparity

As a key approach towards reducing income disparity, the 9th Plan seeks to improve ethnic participation at all occupational levels and in all sectors of the economy to better reflect the ethnic composition of the population.

Developing Competitive Bumiputera Entrepreneurs

The development of the Bumiputera Commercial & Industrial Community (BCIC) will continue to be a key approach towards restructuring society and ensuring greater Bumiputera participation in the economy.

Bridging The Digital Divide

To ensure that all Malaysians share the benefits of the knowledge-based economy, on-going efforts to narrow the digital divide will be further intensified. The focus of the 9th Plan will be on implementing the infrastructure and plan for universal access to the Internet and making more affordable ICT products and services.

Reviewing Past Programmes For Effectiveness

In order to ensure that socio-economic policies meet their objectives, emphasis will be given to improving the effectiveness of programmes through better planning and execution.

Meeting Housing Needs And Improving Urban Services

Housing is a basic social need and provision of adequate, quality and affordable housing for all income groups is a national imperative. In the 9th Plan...
The development of the urban transportation system will focus on the provision of an integrated and efficient transport system. Public transport in the Klang Valley will be upgraded and expanded, and a dedicated public transport commission will be established in the Klang Valley to oversee the improvement. Two integrated transport terminals in Gombak and Bandar Tasik Selatan will be built to act as transit hubs into Wilayah Persekutuan Kuala Lumpur. Furthermore, in an effort to reduce urban congestion, major projects such as the monorail, Outer Ring Road (ORR) and Second Bridge in Pulau Pinang and Johor Eastern dispersal Link will be implemented. A national commission will be established to regulate the orderly and sustainable development of public transport systems in urban areas. The road development programme will focus on improving access to less developed areas, particularly to RGCs and areas with potential for tourism.

Rail infrastructure will be upgraded and the communications system modernised to increase operational efficiency and attractiveness of rail transport as a mode of transportation of passengers and freight.

**Improving Sufficiency And Sustainability of Energy Supply**

To support economic growth, the Government will continue to ensure the sufficiency, security, reliability, quality and cost effectiveness of energy supply. Towards this end, electricity generation and transmission networks will be further developed. Rural electricity generation and transmission networks will also be intensified, especially in Sabah and Sarawak.

**Enhancing The Water Delivery System**

A major focus in the utilities sector will be increasing the quality and reliability of the water supply system. Towards this end, water infrastructure such as intakes, treatment plants and dams will be constructed and upgraded. In addition, major additional projects such as the Pahang-Selangor Interstate Raw Water Transfer will be implemented. Stricter enforcement and rehabilitation of water distribution

period, the Government will continue to provide low-cost houses under the Program Perumahan Negara Berhad (SPNB). This programme will complement the Government's effort by building more than 29,000 low and low medium cost houses in urban and rural areas. The SPNB will also rehabilitate more than 11,000 houses. Efforts will be enhanced to promote the use of Industrialised Building Systems and designs based on the modular coordination concept in housing construction.

Legislation will be reviewed to encourage the private sector to provide low cost houses. This includes allowing more flexibility on the quota of low cost houses as well as expediting the development and approval process.

**Improving Health Care Services**

The Government will continue to provide facilities and implement programmes to improve the health status of the population, especially at the primary care level.

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### Enhancing The Role of Culture, Arts And Heritage In Society

The role of culture, arts and heritage will be enhanced. Focused will be given towards inculcating positive cultural values and enhancing appreciation for culture, arts and heritage among the people at all levels.

### THRUST 5: TO STRENGTHEN THE INSTITUTIONAL AND IMPLEMENTATION CAPACITY

#### Promoting Good Governance

Good governance in the corporate and public sector will continue to be promoted. Including reviewing relevant rules and regulations as well as the legal framework. Enforcement of rules and regulations will also be stepped up under the 9th Plan.

#### Enhancing The Public Sector Delivery System

The KPI System will be implemented to monitor and measure the performance of the public sector delivery system and will be adopted in most agencies by 2010.

#### Promoting Development Through International Cooperation

International cooperation between Malaysia and its development partners will be strengthened, including through technical collaborations with South countries. Malaysia will continue with this policy on a bilateral basis through regional groupings such as ASEAN, East Asian Summit as well as through the United Nations and OIC.

### Conclusion

The 9th Plan examines the policies and strategies that were put in place, proposes changes in the development approaches, and introduces new policy initiatives. Determined and focused implementation of the plan will strengthen the foundation of the country and ultimately pave the way for Malaysia’s smooth progression towards becoming a developed nation by 2020.

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<tr>
<th>Networks</th>
<th>Networks will also be carried out to reduce the rate or non-revenue water in the country from 38% in 2005 to 30% in 2010. Suruhanjaya Pengurusan Air Negara will commence operations during the 9th plan period to regulate the water supply and sewage systems in Peninsular Malaysia.</th>
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