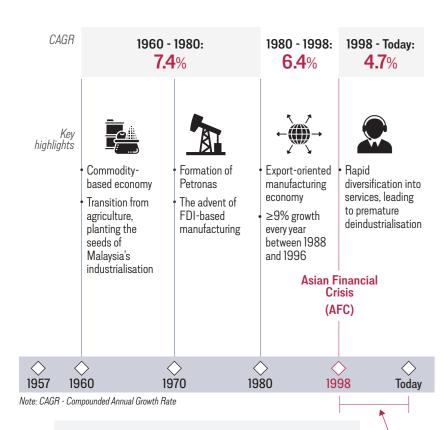
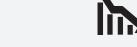
MALAYSIA'S ECONOMIC JOURNEY

Our economy has made significant progress since Independence

Malaysia has developed and Malaysians have benefited from that development





Post-AFC, there was a major change in Malaysia's growth trajectory...

- Malaysia lacked new growth engines
- We saw greater divergence between household income and economic growth
- Malaysia is caught in a vicious cycle of low cost. low wage, low profits, leading to a loss of competitiveness
- Malaysia has achieved remarkable economic growth in its history, and Malaysians have benefited from that development.
- This goes beyond just GDP numbers, but also other important measures of development such as reduction in infant mortality, increase in life expectancy, increase in literacy and schooling, and structural transformation from agriculture to manufacturing to services.
- However, post Asian Financial Crisis in 1998, our growth trajectory declined, and continues to decline, leading to a stagnant development path.

NEW AND IMPORTANT CHALLENGES

Despite our progress, Malaysia still faces multiple challenges







Only 32.4% of income accrues to

RM **2,250** RM **3,037 MEDIAN MEAN** wages wages

More than

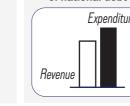
60% of GDP



55.5% 80.9%



4 Low median and mean wages







8 Falling competitive edge

IMD World Competitiveness Ranking



2023

27

9 Persistent and unequally distributed poverty





Despite our progress, many challenges remain. We face stagnating growth, decline in investments, a loss in international presence, inequality and poverty, among others.

- We cannot continue on this downward trajectory not only do we have to do things better, but we also have to do better things. What worked in our past may no longer work today.
- We have to do things differently. We have to do difficult things. We need a

MALAYSIA'S ECONOMIC VISION

We need to leverage on our inherent strengths and create new opportunities

Unique and deep-rooted strengths...

Our People

Diverse + Determined



Our Geography Centre of Asia



Our Industry Strong industry base (e.g. E&E and palm oil)

...with an opportune timing to capitalise on



Window of opportunity

to leverage on Asian



to work with the *Rakyat* to rebuild Malaysia







differing views...

...to build a better and sustainable Malaysia

KONOMI MADANI : MEMPERKASA RAKYAT

Raise the Ceiling

- Competitive & World Class Investment Destination
- Digital & Innovation-led Industr Global Leader in Islamic
- MSMEs as Regional Champion Security & Sustainability of

Economy

To succeed requires n all-of-Malaysia approaci (Rakyat, Government & Industry)

In the spirit of unity Good governance



Respectable Jobs & Decent Standard of Living Equality & Inclusive Opportunitie Universal Access to Quality

Raise the Floor

Quality & Just Life fo

Agile & collaborative

public delivery system

Education & Healthcare Service

World-Class Basic Infrastructure & Public Services Social Protection for All

Malaysia Anchored on MADANI Values

[Sustainability, Care & Compassion, Respect, Innovation, Prosperity & Trust] insuring ethical underpinnings in pursuit of progress, institutional reform and societal cohesio

Ekonomi MADANI: Memperkasa Rakyat provides a framework for us to build a better Malaysia for us and our children.

- This includes to 'Raise the Ceiling' in terms of restructuring the economy in order to grow the wealth of the nation. At the same time, to 'Raise the Floor', social justice will be championed to ensure that the enlarged wealth is benefitted equitably by the Rakyat.
 - These strategies will be built on the MADANI values as a foundation and requires an all-of-Malaysia approach to succeed. The Rakyat, Government & Industry will need to work together embracing a spirit of unity, practising good governance and facilitated by an agile and collaborative public delivery

NAVIGATING OUR DESIRED PATH

Mission, Execution and Targets

Mission



















A Regional (ASEAN) Agenda

strategic arrangements

Advance economic

complexity

Strengthen investment

promotion

4 Digitalisation

Promote digital adoption by

companies through matching

grants

Pursue trade diplomacy and Facilitate movement of goods,

2 Boosting and marinessing Localisation to Reverse Premature Deindustrialisation

Malaysia has a small open economy. Hence, Regional Economic

capital, people and knowledge

Boosting and Harnessing Economic Complexity

Shift focus from sectors to

national missions

Position Malaysia as a regional hub and promote the expansion of Malaysian firms

Enhancing digital adoption across State, Firms and Society

Digital ID to accelerate digital

economy requires expanding firms' available markets through greater

Our message to the world is that Malaysia is open for business and the

for both FDI and DDI. A holistic digitalisation agenda is required to upgrade

domestic firms in addition to enhancing the public service delivery system.

integration with the ASEAN, India and China markets.

applications

upskill human capital to

meet investor needs

A key Government initiative will be the impleme New Industrial Master Plan (NIMP

Globally Competitive Investment Destination

promote quality





Public Sector Reform: trengthen and expedite delivery of MADANI priorities, through stronger project monitoring and



The success of Ekonomi MADANI: Memperkasa Rakyat is incumbent on the united effort of all parties - Rakyat, Government & Industry

3 What We Aim to Achieve





Improve Malaysia's

position in the Corruption

Perception Index to Top 25



global















To achieve the vision of building a Better Malaysia, our Mission requires a focus on - economic growth, fiscal sustainability, competitiveness and regionalisation, good governance, inclusive growth, quality jobs with higher wages, and equality of opportunities.

- Success requires an all-of-Malaysia approach bringing together Rakyat, Government and Industry, supported by Public Sector Reforms focused on speed and effectiveness of delivery and implementation, with enhanced program monitoring.
- Ekonomi MADANI encapsulates ambitious targets in the medium term across different aspects anchored on global benchmarks for the economy and competitiveness, quality of life, labour inclusiveness, corruption and fiscal sustainability.

5 Strengthening Firms of All Sizes and Maturity

RAISING THE CEILING

Rebuilding the Malaysian Home by regionalising our businesses, transforming our

economy and increasing national competitiveness

Support regional expansion of

Domestic Direct Investment

(DDI) as a key KPI

in Islamic Finance

5G dual-network rollout

industry-led to drive

enterprise solutions

innovation



Improve Harness local talents nnovation and and attract talents to venture



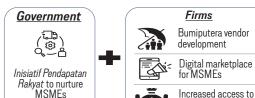
Rejuvenate capital markets to transformation

Micro / Local Businesses and the Informal Sector



kedai runcit, hawker, etc.)

Malaysia's MSME landscape consists of micro-enterprises (e.g.



small businesses which focused mainly on financing, but

Green Growth to Promote Climate Resilience









03 Promote new gree growth areas such as EV hydrogen, CCUS

Food Security - Ensuring Continuity of Supply for Critical Items









o increase local

free trade arrangements

Hence, we must bolster our food security actionally via a combination of three method

National economic strategies must cascade to firms of all sizes and maturity.

Promoting green growth will strengthen climate resilience and open new business and employment opportunities. The National Energy Transition

Enhancing food security will focus on optimising on existing land, by improving

'Raising the Ceiling' aims to restructure and elevate the Malaysian economy, through a focus on greater regionalisation and competitiveness, prioritising The Government will support the transformation of local MSMEs, in embracing economic complexity and moving up the value chain. innovation and focusing on exports. Support for micro enterprises will concentrate on providing access to financing and supporting digitalisation. Strong rates of growth are crucial for the economy, particularly to promote inclusiveness and greater financial sustainability. Expanding the Malaysian

Roadmap will spur a greater shift towards renewable energy generation and drive new growth areas, namely EV and CCUS, with new incentives and policies.

Government will focus on ensuring competitiveness and ease of doing business productivity through adoption of agro-technology in addition to diversifying sources of supply for critical food items.