

# MALAYSIA'S ECONOMIC JOURNEY

1

# NEW AND IMPORTANT CHALLENGES

2

# MALAYSIA'S ECONOMIC VISION

3

# NAVIGATING OUR DESIRED PATH

4

5

# RAISING THE CEILING

6

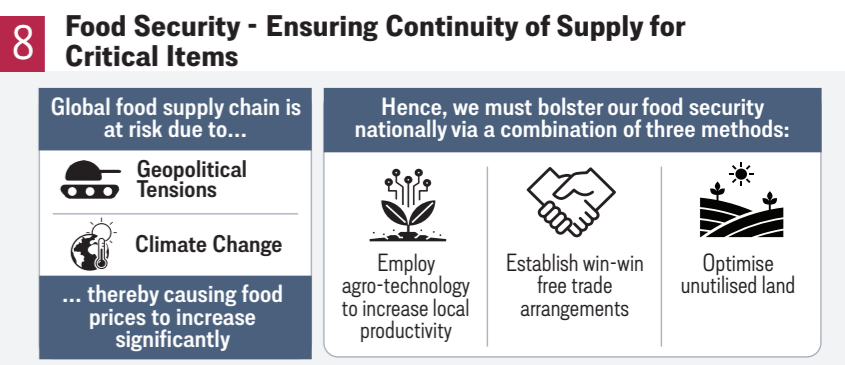
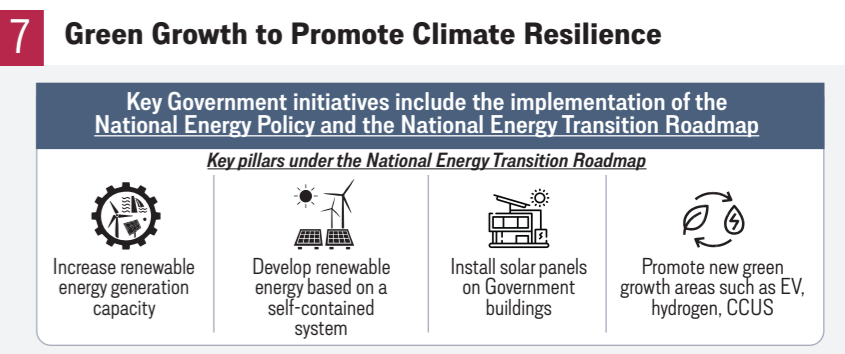
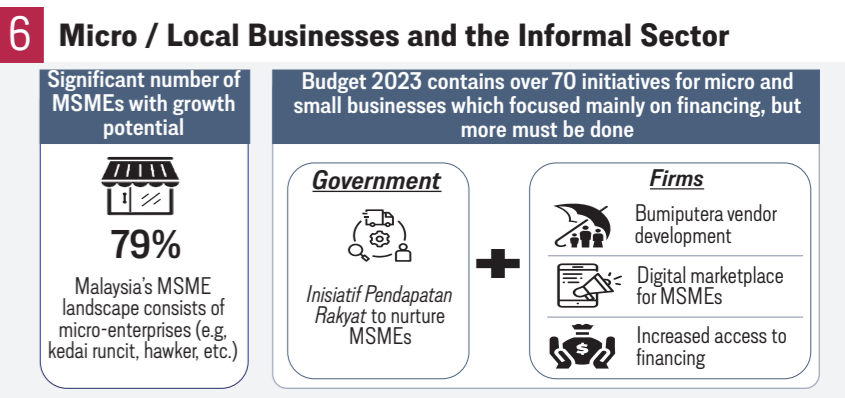
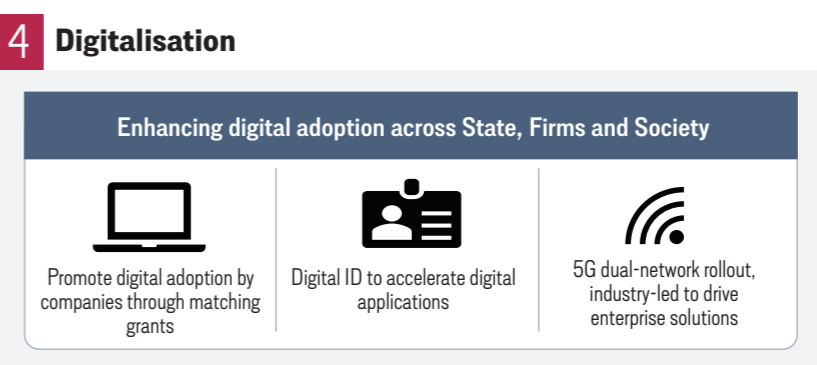
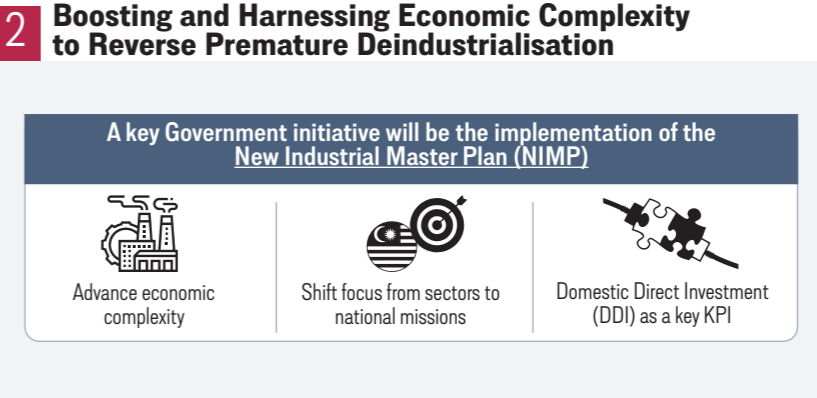
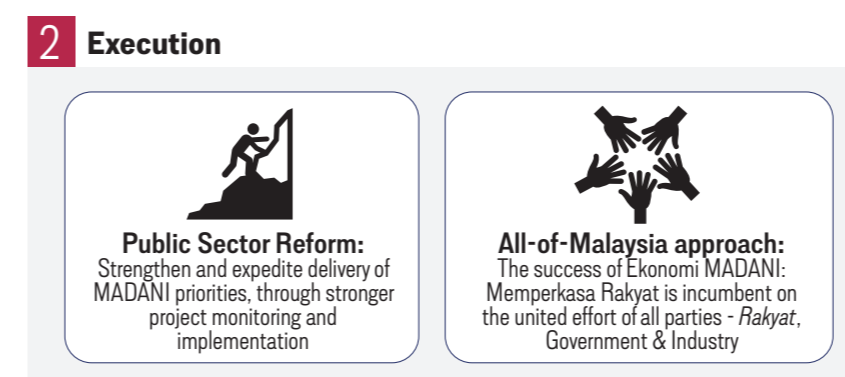
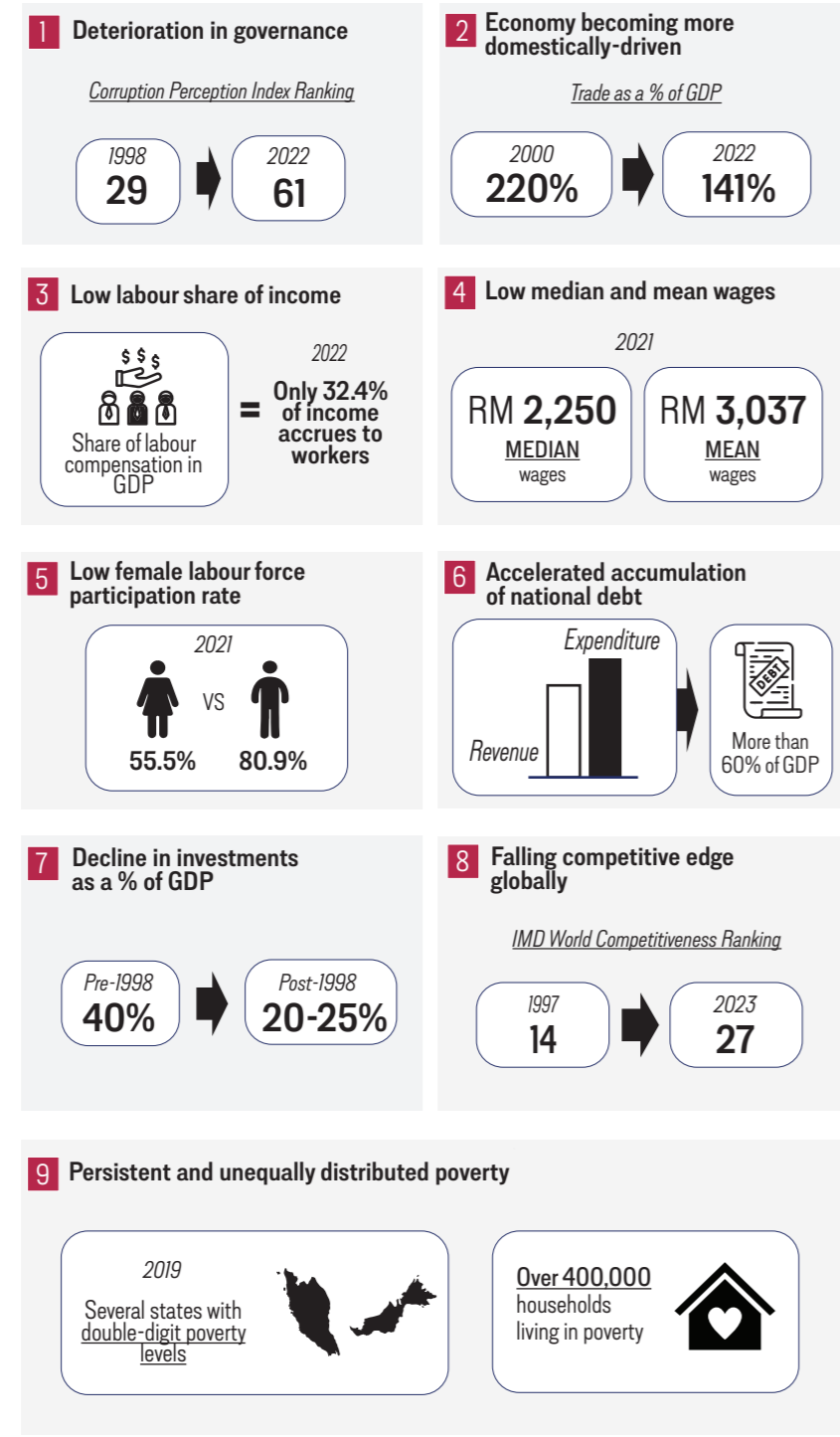
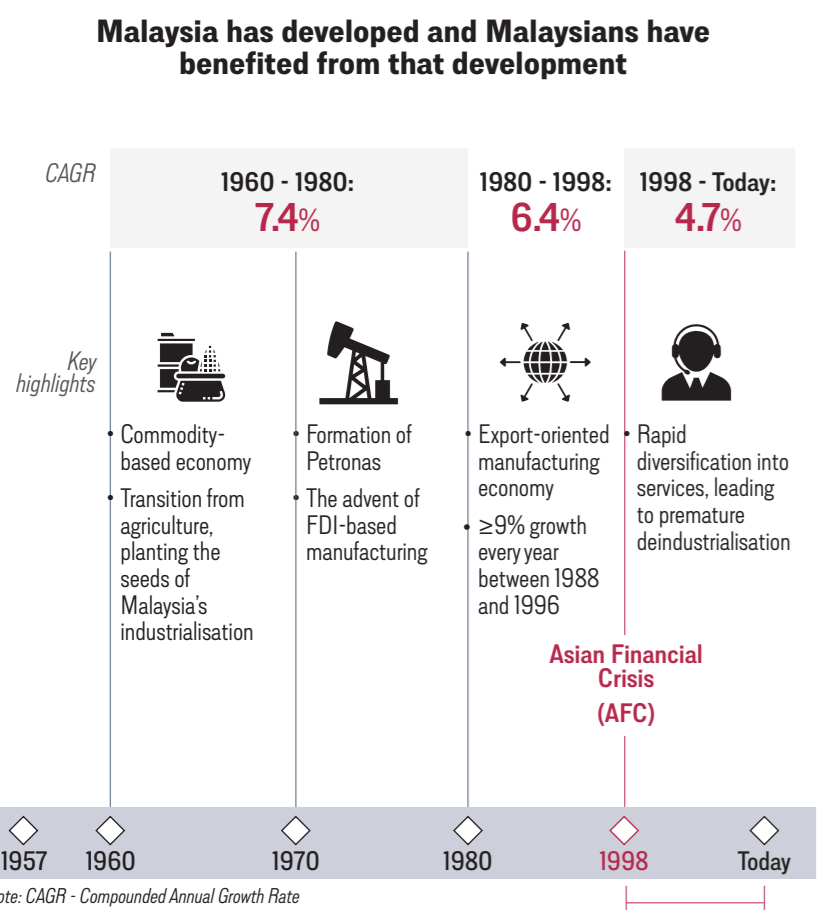
Our economy has made significant progress since Independence

Despite our progress, Malaysia still faces multiple challenges

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

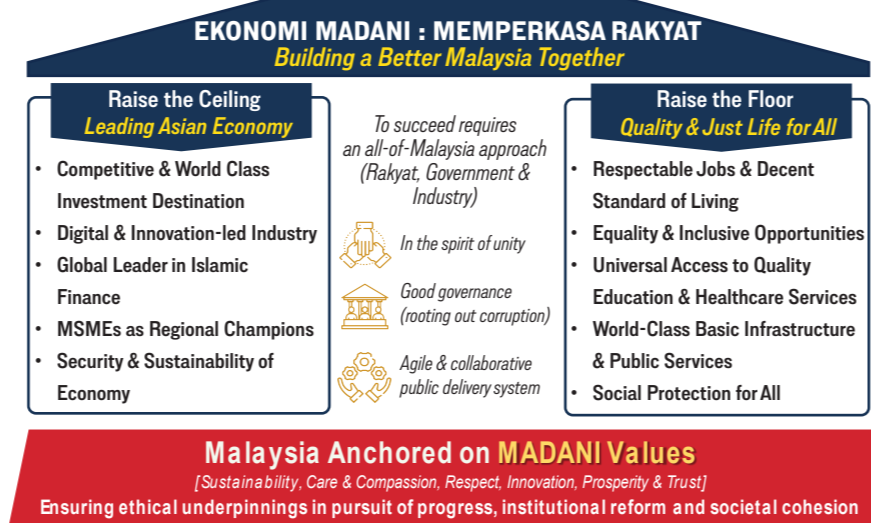
Mission, Execution and Targets

Rebuilding the Malaysian Home by regionalising our businesses, transforming our economy and increasing national competitiveness



**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.

- 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 new economic vision.

- Ekonomi MADANI: Memperkasakan 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 system.

- 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.

- 'Raising the Ceiling' aims to restructure and elevate the Malaysian economy, through a focus on greater regionalisation and competitiveness, prioritising economic complexity and moving up the value chain.
- Strong rates of growth are crucial for the economy, particularly to promote inclusiveness and greater financial sustainability. Expanding the Malaysian economy requires expanding firms' available markets through greater integration with the ASEAN, India and China markets.
- Our message to the world is that Malaysia is open for business and the Government will focus on ensuring competitiveness and ease of doing business for both FDI and DDI. A holistic digitalisation agenda is required to upgrade domestic firms in addition to enhancing the public service delivery system.

- National economic strategies must cascade to firms of all sizes and maturity. The Government will support the transformation of local MSMEs, in embracing innovation and focusing on exports. Support for micro enterprises will concentrate on providing access to financing and supporting digitalisation.
- Promoting green growth will strengthen climate resilience and open new business and employment opportunities. The National Energy Transition Roadmap will spur a greater shift towards renewable energy generation and drive new growth areas, namely EV and CCUS, with new incentives and policies.
- Enhancing food security will focus on optimising on existing land, by improving productivity through adoption of agro-technology in addition to diversifying sources of supply for critical food items.