



SPEECH BY THE PRIME MINISTER
IN THE DEWAN RAKYAT
ON 21 MAY 2015

ELEVENTH MALAYSIA PLAN

2016-2020

ANCHORING GROWTH ON PEOPLE







MALAYSIA

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**YAB DATO' SRI MOHD.
NAJIB BIN TUN HAJI
ABDUL RAZAK**

**PRIME MINISTER,
MALAYSIA**

**SPEECH BY THE PRIME MINISTER
YAB DATO' SRI MOHD. NAJIB BIN TUN HAJI ABDUL RAZAK
FOR THE TABLING OF THE ELEVENTH MALAYSIA PLAN
ON 21 MAY 2015 (THURSDAY), AT 11.30 AM**

ANCHORING GROWTH ON PEOPLE

Bismillahirrahmanirrahim.

Assalamualaikum Warahmatullahi Wabarakatuh, Salam Sejahtera and Salam 1Malaysia.

Alhamdulillah Rabbil A'lamin, wa bihi Nastai'n

Blessings to our beloved Prophet Muhammad PBUH, a fine example for all times.

Mr. Speaker, Sir,

I stand in this august House with full reverence to table a motion:

That this House,

acknowledges the challenges of economic growth and socio-economic progress during the implementation of the Tenth Malaysia Plan;

endorses the efforts of the Government to continuously implement the National Transformation Policy or NTP in formulating and developing the Eleventh Malaysia Plan;

approves its implementation anchored on the National Transformation Policy towards becoming a developed nation by 2020 as set out in Command Paper 23 of 2015;

That in approving the Eleventh Malaysia Plan, this august House calls upon all parties to work together in achieving its goals.

Mr. Speaker and Honourable Members,

1. A few days ago, the month of Rajab ended. Today, Thursday, May 21, which coincides with 3 Sha'ban 1436 AH, a glorious month, the time and moment has come, God willing, for me to present another important and historical document.
2. As stated in the Holy Quran, Surah Al-Imran Verse 26 and Verse 54, the gist of which is, the rise and fall of a kingdom is within the knowledge and absolute power of the Owner of the universe, not in the hands of Man.
3. Similarly, the ability of Man to plan is limited, as Allah is the best of planners.

Mr. Speaker, Sir,

4. The New Economic Policy, or NEP, from 1971 to 1990, introduced by the late Tun Abdul Razak, emphasised poverty eradication and restructuring of society.
5. During that period, the aspiration of the NEP was to achieve more equitable socio-economic targets, towards a more harmonious and united nation, which comprised various ethnic groups and religions.
6. Tun Dr. Mahathir then, introduced the National Development Policy covering the period from 1991 to 2000, which focused on balanced development leading to Vision 2020.
7. After which, the National Vision Policy was implemented from 2001 to 2010. This policy emphasised the development of a knowledge-based

society and the creation of a *Bangsa Malaysia* that is united, progressive and prosperous, for the attainment of an advanced nation status by 2020.

8. The late Tun Hussein Onn and Tun Abdullah Ahmad Badawi also contributed new ideas that reinforced the national mission.

Mr. Speaker, Sir,

9. First and foremost, allow me to explain to the Honourable Members and to the beloved *rakyat*, about the various documents that have been presented by the Government, either in the Parliament or at other official functions.

10. Every year, the Government tables the annual budget in this august House, coordinated by the Ministry of Finance.

11. Meanwhile, about three weeks ago, I presented the Annual Report on the Government Transformation Programme and the Economic Transformation Programme at Angkasapuri.

12. The document was supervised by PEMANDU with the relevant ministries and agencies.

13. The Eleventh Malaysia Plan is coordinated by the Economic Planning Unit, or EPU. For your information, this unit was established in 1961 and its main function is to prepare national development plans.

14. If we reflect upon the past 5 decades, through 10 development plans, the Barisan Nasional Government has achieved many commendable successes.

15. This means, Alhamdulillah, this blessed country has achieved remarkable progress and will continue to be on the right track.

Mr. Speaker, Sir,

16. What needs to be well understood is that, all policies and visions in each and every plan implemented over the years, are consistent, intertwined and complement each other.

17. Therefore, accusations made by some quarters that current Government policies are detached from previous policies, are not true.

18. In this context, I would like to stress that, all plans, ideas and policies from the time of the Alliance Government leading to the Barisan Nasional as well as since independence under the leadership of Tunku Abdul Rahman until today, have consistently been on the same path moving towards the same goals.

19. Clearly, from the First Malaysia Plan, implemented by the leadership of the Alliance Party after the first General Elections in 1964, until the Tenth Malaysia Plan, we have been able to attain and enjoy various successes.

Mr. Speaker, Sir,

20. Following the past ten development plans, there are 10 achievements that we can be proud of. **First**, the GDP has increased from 71.1 billion ringgit in 1970, to **1.1 trillion ringgit** in 2014.

21. Malaysia can also be proud of registering one of the highest economic growth rates in Asia, with an average growth of **6.2 percent** per annum over the past five decades.

22. Second, in terms of economic structure, we have shifted from being a predominantly agriculture-based economy, contributing 31.8 percent to GDP in 1970, to a manufacturing and services based economy, contributing 76.5 percent to GDP. The agriculture sector, however contracted to 9.2 percent last year.

23. Third, the average monthly household income increased by more than 20 times, that is, from 264 ringgit per month in 1970 to 6,141 ringgit in 2014. Whereas, the median monthly household income increased from 166 ringgit in 1970 to 4,585 ringgit last year.

24. Fourth, in the Tenth Plan period, 76.1 percent of all households have become home owners. Even among poor households, 75.3 percent own their own homes.

25. Fifth, as of today, 95.1 percent of the population have access to clean water, and 97.6 percent have access to electricity supply.

26. Sixth, in 1970, only 75 percent of Malaysians could read and write. Thankfully, today the literacy rate has increased to 98 percent.

27. Seventh, 27 percent of the labour force now has tertiary education, a four fold increase compared with 6 percent in 1980, at the end of the Third Malaysia Plan.

28. Eighth, the unemployment rate has declined from 7.4 percent in 1970 to only 2.9 percent in 2014.

29. Ninth, Bumiputera equity ownership in the corporate sector increased 10 times, from 2.4 percent in 1970 to 23.5 percent in 2011.

30. And tenth, the poverty rate declined from 49.3 percent in 1970, to a mere 0.6 percent in 2014. Thus, we are grateful that, hardcore poverty has been successfully eradicated.

Mr. Speaker, Sir,

31. When I first took office on 3 April 2009, the Government drew up the National Transformation Policy as the core philosophy of national administration for the period 2011 to 2020.

32. This National Transformation Policy was formulated as a national roadmap, with the aim to transform Malaysia comprehensively and holistically into a high-income advanced economy.

33. It is based on several criteria, among others, to achieve growth that is inclusive, sustainable, equitable, competitive and progressive, and where the *rakyat* are morally strong and have the right disposition in a mutually cohesive society, practising moderation that is *wasatiyyah*, by anchoring on the 1Malaysia principle.

34. In short, we want all *rakyat* to enjoy the prosperity and success of the country, where no group will feel left out or marginalised.

Mr. Speaker, Sir,

35. Under the National Transformation Policy, 6 programmes were mooted. The Government Transformation Programme, the Economic Transformation Programme, the Political Transformation Programme, the Community Transformation Programme, the Social Transformation Programme and the Fiscal Transformation Programme. Today, I will present another important document, that is, the Eleventh Malaysia Plan.

36. Before I proceed with the presentation, it will be good to visualise how a developed Malaysia would be at the end of the Eleventh Plan in line with the core philosophy of the National Transformation Policy which I defined earlier.

37. We need to understand that the **Eleventh Malaysia Plan is the final leg before we enter the arena of developed nations**. By that time, we should have achieved the following:

38. The Gross National Income per capita would have reached 15 thousand US dollars, that is, the level of income of an advanced nation by international standards. However, the definition of an advanced nation should not be solely based on per capita income.

39. In short, in my opinion, we need to develop a holistic civilisation, where people have high values, morals, are knowledge seekers and avid readers, appreciate arts, culture and heritage as well as have mindsets that reflect the people of a developed nation.

Mr. Speaker, Sir,

40. Therefore, moving forward, for the first time after receiving the mandate from the *rakyat* democratically during the thirteenth general elections, with blessings from the Almighty, I present here, the Eleventh Malaysia Plan with its **Six Strategic Thrusts**:

- First : Inclusivity;
- Second : Wellbeing of the *Rakyat*;
- Third : Human Capital;
- Fourth : Green Growth;
- Fifth : Infrastructure; and
- Sixth : Innovation and Productivity.

41. In order to ensure the Six Strategic Thrusts in the Eleventh Malaysia Plan achieve their goals, the following **game changers** will be implemented as catalysts for a significant shift to generate economic growth and enhance the wellbeing of the *rakyat* in an inclusive manner.

- First : Unlocking the potential of productivity;
- Second : Translating innovation into wealth;
- Third : Increasing the percentage of middle-class society;
- Fourth : Mainstreaming technical and vocational education and training (TVET);
- Fifth : Embarking on green growth; and
- Sixth : Investing in competitive cities.

Mr. Speaker, Sir,

42. With regard to the strategic thrust on **inclusivity**, the Government will endeavour to ensure no segment of society is sidelined from enjoying the benefits of the country's prosperity and growth.

43. No matter how advanced a country is, such as the United States of America, the United Kingdom and Japan, there will always be vulnerable groups, low income groups as well as the homeless and jobless.

44. Besides that, Malaysia will continue to address the bottom 40 percent of households, which I will subsequently refer to as **B40**. For your information, currently, the B40 consists of 2.7 million households.

45. Therefore, during the Plan period, the Government is targeting to increase the average income of B40 households from the current RM2,500 monthly to more than RM5,000 in 2020. Towards this end, the Government will undertake intensive efforts, among others, to bridge the education and skill attainment gap and increase productivity.

46. Furthermore, the Gini coefficient of the country is expected to reduce from 0.401 in 2014 to 0.385 in 2020. The smaller the Gini coefficient, the more equitable the income distribution among the *rakyat*.

47. To **address the increasing cost of living** of the B40 households, initiatives such as Klinik 1Malaysia, Menu Rakyat 1Malaysia, Kedai Rakyat 1Malaysia, Kedai Kain 1Malaysia and Kedai Agrobazaar Rakyat 1Malaysia will continue to be implemented. Various other new initiatives will be developed and introduced during the Plan period.

48. The income of the B40 households will also be increased through higher education and skills. For those interested in business, supportive

entrepreneurship programmes will be enhanced, especially for micro and small enterprises.

49. In addition, I call upon the private sector, especially multinational companies and large local corporations, to contribute towards advancing this group by locating their business premises or industrial plants, in areas with majority B40 households.

50. Another important note, **the Government aspires to enlarge the size of the middle class society from the current 40 percent to 45 percent by 2020.**

51. In empowering the community to build a more productive and prosperous society, focus will be given to children, youth, elderly, women as well as the Bumiputera ethnic group who form the majority of the population.

52. For **women**, their role will not be limited to building happy families but they will also contribute to socio-economic development.

53. The women workforce participation rate will be increased from 54 percent in 2014 to 59 percent by 2020.

54. The Government will continue to implement the policy to ensure 30 percent women participation at the managerial and decision-making levels in the public and private sectors.

55. For **youth**, who are the nation's hope and an important asset, the Government will realise their potential through capacity building, education, skills training, entrepreneurship, sports and volunteerism by implementing the new **National Youth Policy.**

56. Towards this end, as announced in the 2015 Budget, the Government will implement three pilot projects for **1Malaysia Youth City** in Peninsular Malaysia, Sabah and Sarawak with a total allocation of 100 million ringgit.

57. In the Eleventh Plan, the 1Malaysia Youth City will be continued with the implementation of a comprehensive ecosystem that will enable youth to enhance their capabilities and advance themselves in jobs and entrepreneurship while enjoying recreational facilities, housing, including a transit house.

58. For **children**, the number of care centres for children with special-needs will be increased. Meanwhile, for those aged between 13 and 18 who reside in welfare institutions will be given the opportunity to acquire technical and vocational education and training or TVET.

59. In addition, the contribution and services rendered by the **elderly** to the country will always be appreciated. Thus, as a caring and loving society, care facilities for the elderly will be improved and increased from time to time during the Plan period.

60. In addition, for **persons with disabilities (PWDs)**, the Government will enhance their wellbeing by widening their access to education, skills and entrepreneurship training.

61. Through this Plan, the Government with the cooperation of the private sector aims to add 7 new Independent Living Centres throughout the country, which will benefit almost 11 thousand PWDs.

62. The Government is also committed to achieve the target of 16 thousand jobs for PWDs in the public sector. Currently, there are almost 4 thousand PWDs serving in the public sector.

63. In line with the concept of inclusiveness, which is to ensure that economic growth will be enjoyed by all *rakyat* regardless of gender, ethnicity, socio-economic status and geographic location, focus will be given to all ethnic and sub-ethnic groups as well as minority groups including Malaysians from Siamese and Portuguese descent.

64. Among others, the **Special Financial Loan Scheme for Chinese New Village Programme** will be continued which focuses on micro credit loans.

65. For the **Indian community, as a way forward, a Blueprint** will be formulated **to outline their socio-economic development.**

66. For the **Orang Asli and Bumiputera in Sabah and Sarawak, native customary rights** or NCR will be granted to encourage the development of their land by using modern technology through relevant government agencies.

67. For the **Malay community in traditional villages, mainly fishermen and farmers as well as the self-employed, basic amenities will be provided**, in addition to modernisation of their activities to increase productivity and income.

Mr. Speaker, Sir,

68. To ensure urban and rural development complements each other, the provision of rural basic infrastructure such as roads will be continued, especially in Sabah and Sarawak.

69. The Government will build an **additional 3 thousand kilometres of paved roads in the rural areas** during the period 2016 to 2020. Access to water and electricity supply throughout the country will be expanded to **99 percent by 2020**.

70. For the provision of clean and treated water through the **Rural Water Supply Programme**, I am glad to announce that, more than **10 billion ringgit** will be approved.

71. Meanwhile, more than **3 billion ringgit** will be approved for the **Rural Electricity Supply Programme**. This will **benefit almost 40 thousand homes**.

72. From the aspect of **regional economic development**, during the period 2011 to 2014, the five corridors, namely Iskandar Malaysia, Sabah Development Corridor, East Coast Economic Region, Northern Corridor Economic Region and Sarawak Corridor of Renewable Energy, have successfully attracted committed investment amounting to 307 billion ringgit, of which, 57 percent or 175 billion ringgit was realised. These investments created more than 427 thousand job opportunities.

73. In the Eleventh Plan, the Government targets to attract a total of 236 billion ringgit of investment and create 470 thousand more jobs in the corridors.

Mr. Speaker, Sir,

74. I am pleased to announce, that the Government will establish the **Malaysia Vision Valley** as another regional economic development initiative.

75. The Malaysia Vision Valley is located in the western part of Negeri Sembilan, covering Nilai, Seremban and Port Dickson with a proposed area of 108 thousand hectares.

76. For your information, the Malaysia Vision Valley is another new integrated development project, covering several strategic clusters, which aims to complement the development in the Klang Valley, particularly in Putrajaya and Kuala Lumpur.

Mr. Speaker, Sir,

77. The Bumiputera currently comprise 68 percent of the national population compared to 62 percent, 25 years ago. Thus, **Bumiputera Economic Empowerment** will continue to be a national agenda.

78. Initiatives for the Bumiputera are not only necessary but must be implemented. The Government will definitely continue to champion Bumiputera policies, but they will be based on meritocracy among the Bumiputeras.

79. Furthermore, pursuant to my speech during the launch of the Bumiputera Economic Empowerment Agenda in 2013, we are fully committed and determined to achieve 30 percent Bumiputera equity ownership by 2020. Insyaa-Allah.

80. In addition, to increase Bumiputera corporate equity ownership, I am pleased to announce that, **withdrawal from Account 1 of the Employee Provident Fund to invest in Amanah Saham Bumiputera 2 subject to minimum savings requirements will be launched.**

Mr. Speaker, Sir,

81. The **wellbeing of the rakyat** is of utmost importance. Progress is meaningless without peace and happiness.

82. Thus, under the Eleventh Plan, the **health of the rakyat and quality of healthcare** will continue to be improved. Towards this end, among initiatives that will be undertaken, include increasing the number of beds in both public and private hospitals by 25 percent to 73 thousand beds in 2020.

83. This target will be achieved through, among others, the **construction of six new hospitals in Kemaman, Bentong, Baling, Pendang, Pasir Gudang and Maran. Meanwhile, two hospitals in Sabah, namely Tawau Hospital and Kota Marudu Hospital as well as Miri Hospital in Sarawak will be upgraded.** Besides this, the Government will expedite the completion of the hospital in **Sri Aman, Sarawak.**

84. To improve access to healthcare, particularly in rural areas, a total of **165 Klinik 1Malaysia** will be built at a cost of 33 million ringgit.

85. At the same time, medical specialists and high skilled health personnel will be increased. The objective of this Plan is to increase the doctor to population ratio to **one doctor for every 400 population** by 2020.

86. For the information of the Honourable Members, even though the World Health Organization or WHO, does not set any specific ratio, the doctor to population ratio in our country is comparable to that of Singapore, at 1 is to 502 and United Kingdom, at 1 is to 358. This is something very positive.

87. Moreover, our public health service is almost free of charge, costing only one ringgit at government hospitals and Klinik 1Malaysia for outpatient treatment.

88. In addition, the WHO has recognised our **healthcare system as one of the best** in the region.

89. Nevertheless, we have to admit that we still need to address the shortage of medical specialists, especially in rural areas.

Mr. Speaker, Sir,

90. One of the 3 basic needs of life for all is to have a house to live in which provides shelter from heat and rain.

91. In line with this, the **rakyat home ownership agenda** since 2013 will be continued and the Government aims to build 1 million affordable houses for the *rakyat*.

92. To realise this target, the construction of affordable housing for the *rakyat* will be undertaken through collaboration between the state governments and the private sector through programmes such as PR1MA, Perumahan Penjawat Awam 1Malaysia, Projek Perumahan Rakyat and Rumah Mesra Rakyat 1Malaysia.

93. Out of the targeted 1 million units of affordable housing, 182 thousand units are expected to be fully completed by the end of 2015. In addition, more than 23 thousand units have been provided by state governments and FELDA.

94. During the Tenth Plan period, approximately 74,300 units of affordable houses were built by the private sector in various states, while during the Eleventh Plan period, **653 thousand units will be built by various parties.**

Mr. Speaker, Sir,

95. In addition, **I am pleased to announce a large scale refurbishment programme, involving a total of 400,000** houses during the Plan period. This will change the appearance of houses in rural areas. A total of 5,000 ringgit to 10,000 ringgit will be allocated for each house.

Mr. Speaker, Sir,

96. Sports is a platform for unity and is favoured highly by the *rakyat*. Therefore, the Government will promote the field of sports in order to produce world-class athletes such as Dato' Lee Chong Wei, Datuk Nicol Ann David, Sazali Abdul Samad and Pandelega Rinong.

97. As such, to produce more outstanding athletes, under the Eleventh Plan, University of Malaya will focus on developing excellence in badminton while Universiti Teknologi MARA will focus on football.

98. In addition, the Mokhtar Dahari National Football Academy, in Gambang, Pahang, launched in 2014, will be further strengthened to mould players from young, uplift coaching, enhance facilities and promote continuous competition.

Mr. Speaker, Sir,

99. Progress must also entail the flourishing of arts, culture and civilisation. As such, the Eleventh Plan will give importance to the community of creative arts practitioners.

100. Activities related to the arts will be intensified with the upgrading of the **National Arts, Culture and Heritage Academy or ASWARA, from the level of an academy to the status of a university**, in an effort to produce high calibre creative arts practitioners. In this respect, the creative industry will be promoted.

Mr. Speaker, Sir,

101. Human capital is the most important resource for national development. The status of a nation, whether advanced or otherwise, depends on the competencies and skills of its human capital as well as the strength of its value system.

102. In this respect, it is my pleasure to announce that a **total of 1.5 million new jobs** will be created during the Eleventh Plan period.

103. Among measures that will be undertaken are improving labour productivity and wages as well as increasing the efficiency of labour market operations.

104. By the end of the Eleventh Plan, the Government targets **labour productivity to grow at 3.7 percent per annum** as compared to 2.6 percent in the Tenth Plan.

105. During this Plan, the Government aims to increase the **share of compensation of employees to GDP up to 40 percent, as compared to 34 percent in 2013**. Meaning, if a company is generating 10 thousand ringgit, the share given to employees will be 4 thousand ringgit on average.

Mr. Speaker, Sir,

106. With regard to the interest and welfare of employees, the Government will introduce a **National Wage Index** as an indicator and benchmark for employers to determine employees' salaries that will commensurate with their productivity, skills, qualifications and expertise.

107. At the same time, the Minimum Wage level will be reviewed periodically based on the **tripartite** agreement between the Government, employers and trade unions.

Mr. Speaker, Sir,

108. In progressing towards an advanced nation, we will need more high-skilled workers. Therefore, the Government would like more students to pursue education in technical and vocational training and be trained and qualified. This field now comprises only 25 percent of the workforce.

109. This Plan aims to boost this workforce to 35 percent, at par with academic and professional graduates.

110. For this reason, **Technical and Vocational Education and Training (TVET)** will be strengthened.

111. I am pleased to announce, among others, that **1 billion ringgit will be allocated to the Skills Development Fund**, compared with 500 million ringgit in the previous Plan period.

112. Through this programme, TVET graduates will have the opportunity to secure high paying jobs in sectors such as oil and gas, aviation engineering, shipping and automotive.

113. In addition, the National Dual Training System will be adapted from the TVET training model in Germany where 70 percent of the training curriculum is **apprenticeship**-oriented. This is expected to increase the total number of trainees from 164 thousand to 225 thousand by 2020.

114. In this regard, to encourage participation of the private sector in the apprenticeship programme, the Government intends to provide **incentives in the form of grants and tax exemption** from their income.

Mr. Speaker, Sir,

115. In an effort to improve the quality of education delivery, the **Malaysia Education Blueprint 2013-2025** is being implemented meticulously.

116. The competitiveness of a nation depends on the mastery of STEM education, that is, Science, Technology, Engineering and Mathematics. Similarly, a good command of English is important and the national language will strengthen the Malaysian identity.

117. In addition, Higher Order Thinking Skills (HOTS) as well as moral and religious education will be given priority.

Mr. Speaker, Sir,

118. Another important point, I would like to mention in this august House is **during the Plan period, student enrolment rate from pre-school to secondary school is targeted at 100 percent by 2020.**

119. For primary and secondary education, a total of **at least 80 new schools** will be built throughout the country within the first 2 years of the Plan, including 2 schools in Perlis, 2 in Melaka, 5 in Sabah and 5 in Sarawak.

120. This does not include the two **Mara Junior Science Colleges** to be built in **Sik, Kedah** and **Tanah Merah, Kelantan** and a **secondary school mainly for Orang Asli in Sungai Siput, Perak**, which is about to be completed.

121. Meanwhile, **several Fully Residential Schools will be built**, including in **Keningau, Sabah** and **Manjung, Perak.**

122. With respect to higher education, the Malaysia Education Blueprint 2015-2025 (Higher Education) is among the main strategies of the Eleventh Plan.

123. This is expected to support the achievement of **80 percent graduate employability target within six months of graduation.**

Mr. Speaker, Sir,

124. With respect to **green growth**, Malaysia had voluntarily targeted a reduction of Greenhouse Gas emission intensity up to 40 percent of GDP by 2020 at the Copenhagen Summit on Climate Change, 2009.

125. At the end of 2013, Malaysia succeeded in reducing its Greenhouse Gas emission intensity of GDP by 33 percent, as a result of mitigation measures.

126. Global warming has caused various natural disasters worldwide such as floods, coastal erosion and landslides. These have affected economic activities as well as the livelihood and safety of people.

127. Under the Flood Mitigation Projects or RTB, the Government will implement RTB Sungai Kelantan in an integrated manner with the construction of the Nenggiri and Lebir dams.

128. Other projects include RTB Sungai Kuantan, Pahang, Sungai Moyog in Sabah, Sungai Perak, and Sungai Kemaman in Terengganu.

Mr. Speaker, Sir,

129. The development of **infrastructure** is the country's backbone to spur progress and improve the wellbeing of the *rakyat*.

130. This Plan focuses on infrastructure development that will have a high impact in achieving a developed nation status. This includes the construction of highways, MRT and LRT, electricity power plants, water treatment plants, and the implementation of high-speed broadband.

131. With regard to the development of road network, the **Pan Borneo Highway with a length of 2,239 kilometers**, which is currently under construction, will increase connectivity in Sabah and Sarawak.

132. Meanwhile, the **Central Spine Road**, which connects Kuala Krai to Simpang Pelangai Pahang and **Kota Bharu-Kuala Krai Highway** will

enable better connectivity in Peninsular Malaysia and catalyse growth in the east coast region.

133. Furthermore, the **West Coast Expressway**, which is expected to be completed in 2019, will provide better access to the people living in the west coast of Perak and Selangor.

134. Also, the **Gemas-Johor Bahru Double Track Project** with a **distance of 197 kilometers**, will be implemented.

Mr. Speaker, Sir,

135. For public transport, I am glad to share that the construction of the Klang Valley **Mass Rapid Transit**, Sungai Buloh to Kajang Line, Sungai Buloh – Serdang - Putrajaya Line and **LRT3**, will all be carried out in the Eleventh Plan.

136. The construction of the **High Speed Rail**, for your information Mr. Speaker, Sir, which will link Bandar Malaysia in Kuala Lumpur to Jurong East in Singapore, will also be implemented.

137. This will expedite travelling time from KL to Singapore to only 90 minutes. The completion of this project will increase economic benefits for both countries, which are the fastest growing in the region.

Mr. Speaker, Sir,

138. For **broadband** services, the Government will expand its coverage through the roll-out of the High Speed Broadband Initiative or **HSBB2**,

and the Suburban Broadband Initiative to support economic growth.

139. In this regard, I am glad to inform that by 2020, all households in state capitals and high-impact growth areas will be provided with high speed broadband of up to **100 Megabits per second**.

140. Meanwhile, the residents in the suburban and rural areas will be able to access broadband services of **20 Megabits per second**, in other words, faster than that in our homes today.

Mr. Speaker, Sir,

141. New power plants that will contribute **7,626 Megawatts** of electricity will be built. These include 3 coal-fired power plants in Johor, Perak and Negeri Sembilan as well as 2 gas-fired power plants in Penang and Johor.

142. All of these, with an estimated total investment of 28 billion ringgit, will create approximately 35,000 new job opportunities.

Mr. Speaker, Sir,

143. The **Langat 2 Water Treatment Plant** is important to ensure continuous water supply. Currently, the reserve margin of Selangor and the Federal Territory of Kuala Lumpur is about 4 percent.

144. To ensure a reserve margin of 10 to 15 percent, as outlined by the National Water Services Commission, the implementation of Langat 2 Water Treatment Plant needs to be expedited. A delay in its

implementation will affect the reliability of water supply and the wellbeing of the *rakyat* in Selangor and Klang Valley.

Mr. Speaker, Sir,

145. On another note, **connected sewerage services** are targeted to increase from 63 percent to 80 percent in major cities. The **Regional Treatment Plant Project and the Sewerage Pipe Network in Kinta Barat, Papan, Perak** will be built at an estimated cost of 2 billion ringgit.

Mr. Speaker, Sir,

146. With regard to natural gas sources, the present fields, especially in Peninsular Malaysia, are fast maturing. Therefore, natural gas importation facilities need to be increased in order to meet natural gas demand in the future.

147. For this purpose, the Regasification Terminal 2 is being built in Pengerang, Johor to augment the Regasification Terminal 1 in Melaka, which started operations in 2013.

148. Apart from that, the development of the **Pengerang Integrated Petroleum Complex** will be continued in 2016 with an investment of **53 billion ringgit**.

149. Major infrastructure projects that will be implemented in this Plan include the **construction of airports at Mukah and Lawas** in Sarawak, **expansion of Kota Bharu Airport** and **upgrading of the Kuantan Port**. The **Padang Besar Terminal** will also be upgraded to further boost

cargo handling from Southern Thailand to be exported through Port Klang.

Mr. Speaker, Sir,

150. Empirical research has proven that there is a strong correlation between innovation and productivity. The survival and success of an organisation or nation, very much depends on the importance placed on these two aspects.

151. Thus, to remain ahead of the development curve, Malaysia will continue to inculcate a culture of innovation that will result in an increase in productivity at all levels, be it at national, industry or enterprise.

152. Hence, a **National Productivity Blueprint** will be formulated to outline the direction and draw up comprehensive and specific actions to drive productivity. Towards this end, a **National Productivity Council** will be established.

153. One of the measures to improve productivity is through the establishment of the **National Logistics Task Force** which will coordinate and monitor the implementation of the Logistics and Trade Facilitation Master Plan.

154. The transport and storage sector is expected to generate a total of 146 thousand new job opportunities, mainly high skilled.

155. In an effort to further increase the national innovation level, the Government will undertake various approaches. For example, shifting from the Government-centric approach to a whole-society approach and

providing more opportunities for the participation of community-based organisations.

156. Accordingly, research partnerships among the Government, industry and academia will continue to be improved. Examples are partnerships with the Steinbeis Foundation Malaysia, SIRIM-Fraunhofer and Public Private Research Network, which have been established to enhance the commercialisation of research.

157. Thus, by 2020, the commercialisation of **R&D output is targeted to increase to 10 percent** as compared to 5 percent in 2013.

Mr. Speaker, Sir,

158. Under this Plan, it **will be ensured that** key sectors such as **services, manufacturing, agriculture, small and medium enterprises contribute significantly to the GDP.**

159. In the services sector, among the industries that will be promoted are Islamic finance, ICT, oil and gas, private healthcare, private higher education, tourism and Halal industry.

160. The Services Sector Blueprint, which has 29 action plans, aims to increase labour productivity from 68,111 ringgit in 2015 to 83,411 ringgit by 2020. This sector, Insyaa-Allah, is estimated to contribute 55.3 percent to GDP.

161. The manufacturing sector will be driven by catalytic subsectors such as chemicals, electrical and electronics, machinery and equipment, medical devices and aerospace. It is important to note that, this sector will provide 2.8 million job opportunities.

162. To intensify export growth, the **National Export Council** has been established recently. This council is responsible for promoting export growth, including improving the export ecosystem by upgrading infrastructure, enhancing activities along the value chain and maximising trade opportunities, especially with ASEAN member countries in the short- and medium-term.

Mr. Speaker, Sir,

163. To support national innovation, **our major cities need to innovate to stay relevant**. Today, major cities in the world do not only compete for investments but also for best talents to transform themselves.

164. Previously, when we discuss about China, only Beijing and Shanghai are talked about. But lately, other cities in China such as Shenzhen or Guangzhou, are also mentioned in the global arena.

165. Hence, to **increase the competitiveness of the nation**, cities namely, **Kuala Lumpur, Johor Bahru, Kuching and Kota Kinabalu** have been identified to spur economic growth. Competitive master plans will be developed for these cities in line with the aspirations of the nation in the Eleventh Plan.

Mr. Speaker, Sir,

166. Indeed, we have always valued the services of civil servants and security personnel. Therefore, in this Plan, the Government will continue to ensure their welfare such as career development, service schemes and housing.

167. In addition, the delivery of public services to the *rakyat* will continue to be strengthened in terms of speed, efficiency and integrity.

Mr. Speaker, Sir,

168. For the overall implementation of the Eleventh Malaysia Plan, the Government will allocate a development expenditure ceiling of **260 billion ringgit** for the period between 2016 and 2020.

CLOSING

Mr. Speaker, Sir,

169. If granted by the Almighty, the reality is, at the mid-point of this Plan, we will have only a year or two left before the era termed as beyond 2020.

170. With all the planning we have done, it is very important that we are able to visualise the picture and colours of Malaysia **beyond 2020**. Only then will we be able to plan and continue the momentum of growth and pace of this journey to ensure the country's development path is not diverted.

171. Visualising Malaysia in 2030, among others, the population would have reached about 36 million, the urbanisation rate would have increased to 80 percent, the GDP at 2.6 trillion ringgit, GDP per capita of more than 117 thousand ringgit and world trade would have exceeded 44 trillion US dollars.

172. More prominently, what we want is the existence of a **National Consensus** on the country's way forward beyond 2020.

173. Our past efforts and initiatives over the years, such as the 2015 budget, were anchored on achieving a balance between capital economy and people economy.

174. When faced with uncertainty in oil prices and the global economic crisis, such as at the beginning of this year, the Government without hesitation made a special announcement to take proactive steps to change the policies accordingly to ensure the nation remains on the right trajectory.

175. This proves that the Barisan Nasional Government is a pragmatic and systematic Government in planning and charting out the interests of the *rakyat*, despite whatever, we have done our best in many ways, yet there are accusations by certain quarters.

Mr. Speaker, Sir,

176. Similarly, when the Government being sincere, decided that broad-based subsidies be replaced with targeted subsidies, to ensure that assistance, through BR1M, will directly benefit those who are in need, we were accused and criticised.

Mr. Speaker, Sir,

177. With regard to GST, the general consensus is that it is good for the country. However, after hearing the grouses and the confusion of the *rakyat*, we admit that this system will take some time for its implementation process to be more efficient and satisfactory to everyone.

178. In this regard, I wish to mention in this august House, that the *rakyat* should not be worried because the Government will keep you informed on the revenue collected from GST and how it will be spent.

179. Therefore, this morning, on behalf of the Government that delivers its promises, I would like to stress that, we will ensure that the revenue from GST will be reallocated for the benefit and needs of the *rakyat*.

Mr. Speaker, Sir,

180. Although, lately, being faced by many trials and tribulations, the Government and I choose only ONE way, that is, to strive forward and never to turn back.

181. Indeed, the words of the wise and philosophers are true, life is always a struggle, like an ocean that is rarely calm. The waves rise, the waves subside. Seasons change from rain to sun, there are difficult times and easy times.

182. Therefore, I call upon all my loyal friends, if we are patient, if we continue to have strong beliefs and confidence in ourselves, submit to the Almighty, soon there will be a way out and victory for us.

183. In the same light, we must continue to pray and hope that the Eleventh Malaysia Plan will be supported and benefits all segments.

184. Including, farmers in the farms and paddy fields, fishermen, blue and white collar workers, corporate figures and scholars.

185. Honourable Members on the other side, I invite you as well to support this noble effort of the Government to elevate Malaysia to be among the strong and respectable nations in the international arena.

Mr. Speaker, Sir,

186. Indeed, this fight is a noble struggle for *Bangsa Malaysia* and the nation. Indeed, the burden and trust that is being shouldered is heavy, and great amount of courage is required. Only then Malaysia can emerge as an advanced and successful nation.

187. Fundamentally, we should not waste what we have painstakingly achieved. Not to ever destroy it, *nauzubillah*, lest we regret.

188. Thus, let us reflect upon the lyrics of the National anthem, “**Negaraku, Tanah Tumpahnya Darahku, Rakyat Hidup Bersatu dan Maju...**” that is the theme and the ingredient to our excellence thus far.

189. In conclusion, Ya Ilahi, Ya Rabbi, unify our hearts, bless this struggle, so that we seal the success of this Eleventh Malaysia Plan.

Mr. Speaker and Honourable Members,

190. Surely, our deeds and efforts **will be attested and judged by time.**

191. As the saying goes, **the truth will always prevail, history will be the evidence.**

Mr. Speaker, Sir,

I beg to propose.





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