Contents
Part I: Past Performance, 2016-2017

CHAPTER 1
Strengthening Macroeconomic Resilience for Sustained Growth

CHAPTER 2
Thrust 1: Enhancing Inclusiveness towards an Equitable Society

CHAPTER 3
Thrust 2: Improving Wellbeing for All

CHAPTER 4
Thrust 3: Accelerating Human Capital Development for an Advanced Nation

CHAPTER 5
Thrust 4: Pursuing Green Growth for Sustainability and Resilience

CHAPTER 6
Thrust 5: Strengthening Infrastructure to Support Economic Expansion

CHAPTER 7
Thrust 6: Re-engineering Economic Growth for Greater Prosperity

CHAPTER 8
Transforming Public Service for Productivity

Six Strategic Thrusts
Contents
Part II: New Priorities and Emphases, 2018-2020

CHAPTER 9
Ensuring More Meaningful Economic Growth

CHAPTER 10
Pillar I: Reforming Governance towards Greater Transparency and Enhancing Efficiency of Public Service

CHAPTER 11
Pillar II: Enhancing Inclusive Development and Wellbeing

CHAPTER 12
Pillar III: Pursuing Balanced Regional Development

CHAPTER 13
Pillar IV: Empowering Human Capital

CHAPTER 14
Pillar V: Enhancing Environmental Sustainability through Green Growth

CHAPTER 15
Pillar VI: Strengthening Economic Growth

Six Policy Pillars
## Contents

### OVERVIEW

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>O-2</td>
</tr>
<tr>
<td>Part I: Past Performance, 2016-2017</td>
<td>O-4</td>
</tr>
<tr>
<td>- Economic Performance</td>
<td></td>
</tr>
<tr>
<td>- Strategic Thrusts and Game Changers</td>
<td></td>
</tr>
<tr>
<td>- The 2030 Agenda for Sustainable Development</td>
<td></td>
</tr>
<tr>
<td>Part II: New Priorities and Emphases, 2018-2020</td>
<td>O-12</td>
</tr>
<tr>
<td>- Pillar I: Reforming Governance towards Greater Transparency and Enhancing Efficiency of Public Service</td>
<td></td>
</tr>
<tr>
<td>- Pillar II: Enhancing Inclusive Development and Wellbeing</td>
<td></td>
</tr>
<tr>
<td>- Pillar III: Pursuing Balanced Regional Development</td>
<td></td>
</tr>
<tr>
<td>- Pillar IV: Empowering Human Capital</td>
<td></td>
</tr>
<tr>
<td>- Pillar V: Enhancing Environmental Sustainability through Green Growth</td>
<td></td>
</tr>
<tr>
<td>- Pillar VI: Strengthening Economic Growth</td>
<td></td>
</tr>
<tr>
<td>Conclusion</td>
<td>O-27</td>
</tr>
</tbody>
</table>

### Part I
Past Performance, 2016-2017

**CHAPTER 1**

Strengthening Macroeconomic Resilience for Sustained Growth

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduction</td>
<td>1-2</td>
</tr>
<tr>
<td>Past Performance, 2016-2017</td>
<td>1-3</td>
</tr>
<tr>
<td>- External Economic Environment</td>
<td></td>
</tr>
<tr>
<td>- Domestic Economy</td>
<td></td>
</tr>
<tr>
<td>- Highlights</td>
<td></td>
</tr>
<tr>
<td>- Eleventh Malaysia Plan: Selected Outcomes and Performance</td>
<td></td>
</tr>
<tr>
<td>- Performance of Game Changer: Unlocking the Potential of Productivity</td>
<td></td>
</tr>
<tr>
<td>Issues and Challenges</td>
<td>1-14</td>
</tr>
<tr>
<td>- Productivity</td>
<td></td>
</tr>
<tr>
<td>- Investment</td>
<td></td>
</tr>
<tr>
<td>- Sectoral Output</td>
<td></td>
</tr>
<tr>
<td>- Fiscal Space</td>
<td></td>
</tr>
<tr>
<td>Conclusion</td>
<td>1-17</td>
</tr>
</tbody>
</table>
CHAPTER 2
Enhancing Inclusiveness towards an Equitable Society

Introduction 2-2
Past Performance, 2016-2017 2-3
Performance of Selected Outcomes 2-3
  ■ Highlights
    Eleventh Malaysia Plan: Selected Outcomes and Performance
Performance of Focus Area and Game Changer 2-6
  ■ Focus Area A
    Uplifting the B40 Households towards a Middle-Class Society
  ■ Focus Area B
    Empowering Communities for a Productive and Prosperous Society
  ■ Focus Area C
    Transforming Rural Areas to Uplift Wellbeing of Rural Communities
  ■ Focus Area D
    Accelerating Regional Growth for Better Geographical Balance
  ■ Focus Area E
    Enhancing Bumiputera Economic Community (BEC) Opportunities to Increase Wealth Ownership

Issues and Challenges 2-15
Conclusion 2-17

CHAPTER 3
Improving Wellbeing for All

Introduction 3-2
Past Performance, 2016-2017 3-3
Performance of Selected Outcomes 3-4
  ■ Highlights
    Eleventh Malaysia Plan: Selected Outcomes and Performance
Performance of Focus Area 3-7
  ■ Focus Area A
    Achieving Universal Access to Quality Healthcare
  ■ Focus Area B
    Providing Adequate and Quality Affordable Housing to Poor, Low-and Middle-Income Households
  ■ Focus Area C
    Creating Safer Living Environments for Thriving Communities
  ■ Focus Area D
    Improving Road Safety and Emergency Services to Reduce Fatalities
  ■ Focus Area E
    Enculturating the Spirit of 1Malaysia to Foster Social Cohesion and National Unity
  ■ Focus Area F
    Promoting Sports for Healthy Living and Unity

Issues and Challenges 3-14
Conclusion 3-15
CHAPTER 4
Accelerating Human Capital Development for an Advanced Nation

Introduction 4-2
Past Performance, 2016-2017 4-3
Performance of Selected Outcomes 4-3
  ■ Highlights
  Eleventh Malaysia Plan: Selected Outcomes and Performance
Performance of Focus Area and Game Changer 4-5
  ■ Focus Area A
  Improving Labour Market Efficiency to Accelerate Economic Growth
  ■ Focus Area B
  Transforming TVET to Meet Industry Demand
  ■ Focus Area C
  Strengthening Lifelong Learning for Skills Enhancement
  ■ Focus Area D
  Improving the Quality of Education for Better Student Outcomes and Institutional Excellence
Issues and Challenges 4-10
Conclusion 4-13

CHAPTER 5
Pursuing Green Growth for Sustainability and Resilience

Introduction 5-2
Past Performance, 2016-2017 5-3
Performance of Selected Outcomes 5-3
  ■ Highlights
  Eleventh Malaysia Plan: Selected Outcomes and Performance
Performance of Focus Area and Game Changer 5-6
  ■ Focus Area A
  Strengthening the Enabling Environment for Green Growth
  ■ Focus Area B
  Adopting the Sustainable Consumption and Production Concept
  ■ Focus Area C
  Conserving Natural Resources for Present and Future Generations
  ■ Focus Area D
  Strengthening Resilience Against Climate Change and Natural Disasters
Issues and Challenges 5-14
Conclusion 5-15

CHAPTER 6
Strengthening Infrastructure to Support Economic Expansion

Introduction 6-2
Past Performance, 2016-2017 6-3
Performance of Selected Outcomes 6-3
  ■ Highlights
  Eleventh Malaysia Plan: Selected Outcomes and Performance
Performance of Focus Area 6-6
  ■ Focus Area A
  Building an Integrated Need-Based Transport System
  ■ Focus Area B
  Unleashing Growth of Logistics and Enhancing Trade Facilitation
  ■ Focus Area C
  Improving Coverage, Quality and Affordability of Digital Infrastructure
CHAPTER 7
Re-engineering Economic Growth for Greater Prosperity

Introduction 7-2
Past Performance, 2016-2017 7-3
Performance of Selected Outcomes 7-3
Highlights 7-6
Eleventh Malaysia Plan: Selected Outcomes and Performance
Performance of Focus Area and Game Changer 7-6
Focus Area A
Transforming Services
Focus Area B
Energising Manufacturing
Focus Area C
Modernising Agriculture
Focus Area D
Transforming Construction
Focus Area E
Growing Dynamic SMEs
Focus Area F
Translating Innovation to Wealth
Focus Area G
Investing in Competitive Cities and Regional Economic Corridors

Issues and Challenges 7-13
Conclusion 7-15

CHAPTER 8
Transforming Public Service for Productivity

Introduction 8-2
Past Performance, 2016-2017 8-3
Performance of Selected Outcomes 8-4
Highlights 8-6
Eleventh Malaysia Plan: Selected Outcomes and Performance
Performance of Focus Area 8-6
Focus Area A
Enhancing Service Delivery with Citizens at the Centre
Focus Area B
Rationalising Public Sector Institutions for Greater Productivity and Performance
Focus Area C
Strengthening Talent Management for the Public Service of the Future
Focus Area D
Enhancing Project Management for Better and Faster Outcomes
Focus Area E
Capitalising on Local Authorities for Quality Services at the Local Level

Issues and Challenges 8-11
Conclusion 8-13

Federal Government Development Allocation and Expenditure, 2016-2017 F-1
Part II
New Priorities and Emphases, 2018-2020

CHAPTER 9
Ensuring More Meaningful Economic Growth

Introduction 9-2
New Priorities and Emphases, 2018-2020 9-4
- External Economic Environment
- Macroeconomic Strategies
- Domestic Economy
Conclusion 9-17

CHAPTER 10
Pillar I: Reforming Governance towards Greater Transparency and Enhancing Efficiency of Public Service

Introduction 10-2
New Priorities and Emphases, 2018-2020 10-4
- Selected Targets, 2020
Priority Area A: 10-6
Improving Governance at All Levels
- Strategy A1: Strengthening Check and Balance Mechanism
- Strategy A2: Improving Relationship between Federal, State and Local Governments
- Strategy A3: Reforming the Political System
Conclusion 10-21

Priority Area B: 10-8
Elevating Integrity and Accountability
- Strategy B1: Enhancing Anti-Corruption Agenda
- Strategy B2: Improving Transparency
- Strategy B3: Inculcating Noble Values and Ethical Work Practices

Priority Area C: 10-11
Enforcing Prudent Public Finance Management
- Strategy C1: Improving the Budgeting System
- Strategy C2: Enhancing Procurement Management
- Strategy C3: Strengthening Performance Management, Monitoring and Evaluation Framework

Priority Area D: 10-15
Enhancing Public Service Delivery
- Strategy D1: Reforming Public Sector Institutions
- Strategy D2: Redesigning Public Services
- Strategy D3: Empowering Local Authorities

Conclusion 10-21
### CHAPTER 11
Pillar II: Enhancing Inclusive Development and Wellbeing

**Introduction**

**New Priorities and Emphases, 2018-2020**
- Selected Targets, 2020

**Priority Area A:**
Enhancing Inclusiveness towards an Equitable Society
- **Strategy A1:**
  - Raising the Income and Purchasing Power of the B40 Households
- **Strategy A2:**
  - Enhancing Bumiputera Economic Community (BEC)
- **Strategy A3:**
  - Empowering Minority Groups
- **Strategy A4:**
  - Addressing the Needs of Specific Target Groups

**Priority Area B:**
Improving Wellbeing for All
- **Strategy B1:**
  - Increasing Purchasing Power for All
- **Strategy B2:**
  - Providing Quality and Affordable Housing
- **Strategy B3:**
  - Enhancing the Healthcare Delivery System
- **Strategy B4:**
  - Making the Nation Safer and Secure
- **Strategy B5:**
  - Promoting Noble Values and Active Lifestyle

**Conclusion**

---

### CHAPTER 12
Pillar III: Pursuing Balanced Regional Development

**Introduction**

**New Priorities and Emphases, 2018-2020**
- Selected Targets, 2020

**Priority Area A:**
Strengthening Regional Economic Development
- **Strategy A1:**
  - Strengthening and Streamlining State and Regional Development Planning
- **Strategy A2:**
  - Modernising and Diversifying the Economic Base
- **Strategy A3:**
  - Promoting Competitive Cities
- **Strategy A4:**
  - Enhancing ASEAN Subregional Cooperation

**Priority Area B:**
Bridging Urban-Rural Development Gap
- **Strategy B1:**
  - Enhancing Rural Infrastructure
- **Strategy B2:**
  - Improving Urban-Rural Linkages
- **Strategy B3:**
  - Creating Local Economic Activities in Rural Areas

**Priority Area C:**
Accelerating Development in Sabah and Sarawak
- **Strategy C1:**
  - Intensifying Economic Growth and Development Planning
- **Strategy C2:**
  - Improving Infrastructure for Better Connectivity
- **Strategy C3:**
  - Expanding Access to Basic Infrastructure, Amenities and Services
- **Strategy C4:**
  - Increasing Employment Opportunities
- **Strategy C5:**
  - Enhancing the Development of Customary Land

**Conclusion**
CHAPTER 13
Pillar IV: Empowering Human Capital

Introduction 13-2
New Priorities and Emphases, 2018-2020 13-3
Priority Area A: Reforming the Labour Market 13-5
Strategy A1: Generating Skilled Jobs
Strategy A2: Raising Salaries and Wages
Strategy A3: Enhancing Management of Foreign Workers
Strategy A4: Improving Labour Market Conditions

Priority Area B: Improving Labour Efficiency and Productivity 13-7
Strategy B1: Strengthening the Rights of Workers
Strategy B2: Increasing Female Participation in the Labour Force

Priority Area C: Enhancing Access to Quality Education and Training 13-9
Strategy C1: Raising Quality of Education
Strategy C2: Prioritising Quality over Quantity of TVET
Strategy C3: Improving Education for All

Conclusion 13-17

CHAPTER 14
Pillar V: Enhancing Environmental Sustainability through Green Growth

Introduction 14-2
New Priorities and Emphases, 2018-2020 14-3
Priority Area A: Strengthening Governance 14-6
Strategy A2: Improving Capacity and Capability, Enforcement and Monitoring
Strategy A3: Raising Awareness and Fostering a Sense of Shared Responsibility

Priority Area B: Conserving Natural Resources 14-9
Strategy B1: Conserving Terrestrial and Inland Water Areas
Strategy B2: Conserving Coastal and Marine Ecosystems
Strategy B3: Enhancing Livelihood and Capacity of the Indigenous and Local Communities

Priority Area C: Combating Climate Change and Reducing Disaster Risk 14-12
Strategy C1: Intensifying Climate Change Mitigation
Strategy C2: Augmenting Climate Change Adaptation
Strategy C3: Strengthening Disaster Risk Management

Conclusion 14-17
CHAPTER 15
Pillar VI: Strengthening Economic Growth

Introduction 15-2
New Priorities and Emphases, 2018-2020 15-4
- Selected Targets, 2020
Priority Area A: 15-7
Strengthening Sectoral Growth and Structural Reforms
- Strategy A1:
  Enhancing Sectoral Growth through Productivity Improvements
- Strategy A2:
  Increasing Export Capacity
- Strategy A3:
  Improving Market Efficiency
- Strategy A4:
  Facilitating Ease of Doing Business
Priority Area B: 15-15
Accelerating Innovation and Technology Adoption
- Strategy B1:
  Harnessing the Fourth Industrial Revolution
- Strategy B2:
  Increasing Technology Adoption
- Strategy B3:
  Aligning Research and Innovation
- Strategy B4:
  Enhancing Capacity Building
Priority Area C: 15-21
Providing Quality Infrastructure
- Strategy C1:
  Developing an Integrated Transport System
- Strategy C2:
  Strengthening Logistics and Trade Facilitation
- Strategy C3:
  Improving Digital Infrastructure

Strategy C4:
Improving Water Services
Strategy C5:
Sustaining Energy Supply

Conclusion 15-27

APPENDIX
Tables and Charts A-2
Glossary A-25
Index A-36
Organisation Chart of Ministry of Economic Affairs A-57