

Contents

NATIONAL
TRANSFORMATION
PROGRAMME

03-04

TRANSFORMATION
TAKES EFFECT

05-06

PUTTING OUR PEOPLE FIRST

07-08

2017 YEAR IN REVIEW



9-10

IMPROVING
URBAN PUBLIC TRANSPORT



11-12

RAISING LIVING STANDARDS
OF LOW-INCOME HOUSEHOLDS



13-14

REDUCING CRIME



15-16

FIGHTING CORRUPTION



17-18

ADDRESSING
THE RISING COST OF LIVING



19-20

IMPROVING
RURAL DEVELOPMENT



21-22

ASSURING QUALITY EDUCATION



23-24

GREATER KUALA LUMPUR/
KLANG VALLEY



25-26

OIL, GAS & ENERGY



27-28

WHOLESALE & RETAIL



29-30

PALM OIL & RUBBER



31-32

TOURISM



33-34

ELECTRICAL & ELECTRONICS



35-36

BUSINESS SERVICES



37-38

COMMUNICATIONS CONTENT
& INFRASTRUCTURE



39-40

HEALTHCARE



41-42

FINANCIAL SERVICES



43-44

AGRICULTURE



45-46

HUMAN CAPITAL DEVELOPMENT



47-48

PUBLIC SERVICE
DELIVERY TRANSFORMATION



49-50

COMPETITION, STANDARDS &
LIBERALISATION



51-52

NARROWING DISPARITY



53

PUBLIC FINANCE REFORM

54

GLOSSARY

A NOTE FROM THE PRIME MINISTER

Transformation Takes Effect



**YAB DATO' SRI
MOHD NAJIB TUN ABDUL RAZAK**
Prime Minister Malaysia

In 2010, shortly after assuming the Prime Minister's Office, I announced the launch of the National Transformation Programme (NTP) – an initiative aimed at taking Malaysia out of the middle-income trap and towards becoming a high-income economy by 2020. After seven years of implementation, I am pleased to say that the NTP has delivered positive outcomes which have been seen and felt throughout the nation. Many milestones have been achieved along this ongoing journey but, most importantly, our promises to the rakyat are being met.

I am particularly proud that we have decisively moved away from the middle-income trap and are getting ever closer to becoming a high-income nation. This is demonstrated by the narrowing gap between our Gross National Income (GNI) per capita and the World Bank's high-income threshold from 33% in 2010 to 20% in 2017.

It has been a challenging period for many countries, but in Malaysia, our Gross Domestic Product (GDP) expanded by 5.9% in 2017. This was the fastest pace of growth in three years and outpaced our regional neighbours such as Singapore, Indonesia,

South Korea and Taiwan. Our economy's bright prospects have been validated by global institutions such as the World Bank, the International Monetary Fund and the Asian Development Bank, which raised their forecasts for our economic growth twice during the year. Additionally, all the major credit ratings agencies have reaffirmed Malaysia's ratings within the "A" band with a stable outlook.

At times, the Government has had to take tough but necessary actions to drive this progress. This has included the rationalisation of non-targeted, blanket subsidies and the implementation of the Goods and Services Tax (GST) to make revenue collection more efficient. We did so in the face of severe opposition and criticism, but remained steadfast knowing that these were the right decisions, and the progress we have made is there for all to see – with our fiscal deficit being reduced from 6.7% in 2009 to 3.0% as at 2017.

On top of these improvements in public finance policy, Malaysia is one of the few countries in the world to put a statutory limit on government debt, further demonstrating

the Government's tenacity and discipline to institutionalise reform. Indeed, Government debt amounted to 51% of GDP in 2017, safely below its self-imposed debt ceiling of 55% of GDP. These actions have improved the Government's capacity to invest in social development, allowing us to focus on the rakyat's needs and channel aid to those who need it the most.

In addition to fiscal reforms, the Government has also targeted economic diversification, as well as the rejuvenation of private sector investment. Prior to the NTP, our economy had become too reliant on the oil and gas industry, which is subject to significant volatility in oil prices, and public investments. For instance, in 2009, oil and gas revenue contributed to 41% of government income whereas private investment was below 55% of total investments, posing a considerable economic risk.

Our forward-thinking on this and the diversification efforts we put in place proved to be prudent amid the downward spiral of global oil prices in 2014, and helped to strengthen our economy's resilience, as well as shield it from recession. With the identified 12 National Key Economic Areas (NKEAs), the share of Government revenue from oil and gas was drastically reduced to 15% in 2017. The NTP has also catalysed private investment, whereby private sector investment as a proportion of total investment has surged from 55% in 2010 to 68% in 2017.

The 12 NKEAs contributed to 75% of GNI as at the end of 2017 current prices. This, in turn, has contributed to the addition of 2.68 million employed persons to the nation since 2010 based on CSDU's calculation and methodology, using data from the Labour Force Survey. (For further details on progress of the 12 sectors, please refer to the 2017 Year in Review and NTP chapters within this Annual Report.)

The reforms we have introduced since 2010 have also resulted in growing foreign investor confidence in Malaysia. This is evident with the entrance of various new investors into the country over the past few years. In 2017, the Saudi Arabian state-owned oil and gas company, Saudi Aramco committed a US\$7 billion investment in the Refinery and Petrochemical Integrated

Development (RAPID) project in Pengerang Integrated Petroleum Complex (PIPC), and another US\$900 million for a 50% stake in Petronas Chemicals Group Bhd's polymers business. Huawei, a major networking and telecommunications equipment and services company, has chosen Malaysia as its global operations headquarters, data hosting centre and global training centre. The company invested RM2.2 billion to set up its operations in this country, creating more than 2,370 job opportunities for our home-grown talent.

Another remarkable hallmark for Malaysia is the launch of the Digital Free Trade Zone (DFTZ) in March 2017 with Jack Ma, founder and Executive Chairman of Alibaba Group. The zone will provide 24,700 acres of physical and virtual platforms at Sepang KLIA Aeropolis to help small- and medium-sized enterprises (SMEs) capitalise on the expanding internet economy and cross-border e-commerce activities. The DFTZ is positioned to be the next regional hub for internet-based innovation and is expected to double SMEs' goods export growth rate to US\$38 billion, create 60,000 jobs and facilitate US\$65 billion worth of traded goods by 2025.

These companies are coming to Malaysia because the policies we have set in place have made the country an attractive destination for those seeking to grow their businesses. These efforts have been recognised by the World Economic Forum, with its Global Competitiveness Report 2017-2018 ranking Malaysia the 23rd most competitive country in the world, behind only Singapore in the ranks of ASEAN countries.

When we first laid out our plans for the NTP, we knew that for the transformation to be complete, its outcomes must be inclusive and sustainable. This will ensure no Malaysian is left behind as we become a high-income nation, and that our societal well-being can endure for the long term. To this end, we have seen our Gini Coefficient, which measures income disparity, decline to 0.399 in 2016 from 0.441 in 2009. We are currently on the right track in narrowing income disparity, and in the longer term, to improve the purchasing power of the rakyat and ensure better living standards for all Malaysians.

Furthermore, we have recorded a stunning

reduction in our poverty rate since the start of the NTP. As a result of targeted programmes such as 1AZAM, the national poverty rate has dropped to 0.4% as at 2016, against 3.8% in 2010, with the mean monthly income of the Bottom 40% (B40) households increasing to RM2,848 as at 2016 from RM1,440 in 2009. To help the rakyat manage the cost of living, RM6.31 billion has been distributed via BR1M in 2017 alone to 7.22 million eligible individuals and families. Cumulatively, the Government has disbursed RM25.62 billion via BR1M since 2012.

Meanwhile, development in the rural areas continues to ensure the rural community equally enjoys the fruits of our transformation. To date, 6.8 million rural households have benefited from the NTP's strategic initiatives, including gaining access to treated water, 24-hour electricity and better road connectivity.

Moreover, we successfully delivered the country's first Mass Rapid Transit (MRT) with the launch of the Sungai Buloh-Kajang (SBK) Line in 2017. The completed MRT SBK Line serves as a testament that Malaysia has taken a formidable stride in improving public transportation while demonstrating that excellent management and operationalisation of the project have led to its timely delivery below the allocated budget.

The 51-km line now serves a population of over 1.2 million living along the Sungai Buloh-Kajang corridor, offering significant benefits to the public by reducing household spending on transportation, commuting times and vehicle traffic congestion at the rail catchment areas. Surrounding businesses and properties along the line have also blossomed from the spill-over effect of this mega "infra-rakyat" project.

We are also developing the East Coast Rail Link (ECRL) that will connect Greater Kuala Lumpur/Klang Valley to the east coast of peninsular Malaysia. The project is expected to create 80,000 additional jobs and serve 5.4 million passengers annually by 2030.

Achievements such as the MRT and ECRL projects could only be made a reality through our sustainable economic growth, socio-economic stability and good fiscal governance, as well as the close collaboration and partnership between our civil servants,

private sector and the rakyat in supporting the initiatives under the NTP from its onset.

Our civil servants have played a crucial role in helping to ensure the successful and sustained delivery of the NTP. This is why, in March 2017, we established the Civil Service Delivery Unit (CSDU) to take over the role of Performance Management and Delivery Unit (PEMANDU) in facilitating the programme. This move allows the civil service to take full ownership in the last mile of Malaysia's transformation, as well as realises our intent to forge a more competitive and result-oriented system within the Government. To this end, we have witnessed more and more members of our talented civil service taking proactive measures to deliver and lead game-changing initiatives.

With the significant progress we have achieved thus far, I am confident that we will attain our target of becoming a high-income nation by 2020. And that is not all: we have already begun mapping our next phase of transformation under Transformasi Nasional 2050 (TN50). Once we realise our vision of Malaysia becoming a developed nation, we will then move forward with our plans to become one of the top countries in the world in economic development, citizen well-being and innovation by 2050.

A NOTE FROM THE DEPUTY PRIME MINISTER

Putting Our People First



**YAB DATO' SERI DR.
AHMAD ZAHID HAMIDI**
Deputy Prime Minister Malaysia

When the Government first embarked on the NTP in 2010, we were clear that in order for Malaysia to become a high-income nation, the Government itself must transform its delivery of public services to support the socio-economic reforms we aimed to achieve. To this end, we rounded up all the Ministries to undertake a broad agenda of change which prioritised the needs of the rakyat.

Now seven years into our transformation, I am pleased to report that the Government continues to address the areas which the rakyat most want and need. Chief among these is the rising cost of living, which is not a phenomenon unique to Malaysia. In fact, the Economic Intelligence Unit's Worldwide Cost of Living 2017 report ranked Kuala Lumpur just 96th out of the 133 cities surveyed, with Singapore, Hong Kong and Zurich identified as the world's most expensive cities to live in. According to the report, the global cost of living in 2017 is at 74% (taking an average of the indices for all cities surveyed using New York as the base city), mainly driven by external factors, such as currency movements. This is also compounded by inflation in the prices of goods and services, which occurs naturally

over time in healthy economies.

In view of these realities, we have utilised the Bantuan Rakyat 1Malaysia (BR1M) scheme since 2012 to help cushion the public from the impact of rising living costs. Over seven million individuals and households have benefited from this assistance through RM25.62 billion in direct aid, of which RM6.31 billion was distributed in 2017.

While BR1M represents a critical measure by the Government to provide immediate relief, we have also sought to formulate long-term strategies to address living costs through the Cabinet Committee on Addressing the Rakyat's Cost of Living. The Committee studies the entire supply chain to identify solutions to help minimise the impact of rising costs felt most by the rakyat, such as in the areas of food, housing and transportation.

In 2017, the Committee focused on urban poverty due to the higher living costs in urban areas. As a result, initiatives such as the My Farm Outlet (MFO), Q'Fish Programme, National Food Warehouse, SiswaSave programme and Kad Diskaun Siswa 1Malaysia for university students were implemented

accordingly. Allow me to highlight that most of these initiatives are targeted at the Bottom 40% (B40) households, which remain a priority group. Under our administration, Malaysians in the B40 group have been gradually lifted out of poverty, as evidenced by our virtual eradication of poverty to just 0.4% as at 2016. Additionally, various income-generating opportunities provided through programmes such as 1AZAM under the NTP have contributed to a growth in median monthly income of the B40 group to RM3,000 in 2016 from RM2,629 in 2014 and an increase in mean monthly income to RM2,848 from RM2,537 during the same period.

As at 2017, 1AZAM has benefitted 100,420 Malaysians, raising the overall income of participants by at least RM300. We have also formulated a follow-up programme called Beyond 1AZAM, with hopes that successful 1AZAM participants will grow to become job creators through further training, entrepreneurship support and continued access to micro and small business financing. The programme has touched the lives of 5,674 participants as at 2017 after starting with 1,511 participants in 2015.

The Government has also aided the B40 category to leverage on the digital economy to propel themselves out of poverty and harness opportunities of the technological age. To this end, the e-Rezeki and e-Usahawan programmes were introduced to raise the average income of participants through talent-matching and crowdsourcing via online platforms. E-Rezeki aims to produce 500 people who will successfully generate extra income through this platform via crowdsourcing and has currently enlisted a total of 5,898 participants to date, while e-Usahawan has attracted 12,300 participants. E-Usahawan participants have managed to generate income of RM24.3 million from various business ventures through digital means.

Additionally, we have continued to improve the quality of life for rural communities. Since 2010, our rural development efforts have resulted in the construction and upgrading of 6,868 km of rural roads, provided 354,400 households with access to clean water, connected 161,931 households to stable electricity supply, and built and restored 103,033 houses for the rural poor.

Even with low-income households and rural communities representing the Government's priority groups, we have also paid attention to the needs of urbanites to ensure balanced socio-economic development. In this regard, our efforts to upgrade the urban public transportation network lead the way in providing a world-class public service delivery system.

This has not only been achieved through the construction of the Mass Rapid Transit (MRT), of which the first rail line was completed in 2017, but also with improvements in bus and taxi services. Guided by the vision of our YAB Prime Minister to provide affordable, accessible, reliable and safe public transport services that meet international standards, we are systematically transforming all areas of the urban commute, from enabling travellers to plan their daily trips through to the last-mile journey which takes commuters to their final destinations. Through infrastructure upgrades, capacity building and provision of new public transport modes, we have successfully doubled public transport modal share from just 10% in 2010 to 20% in 2015, while average daily ridership continues to increase to 1.21 million passengers in the same year.

Looking ahead to our future generations, we have also put in place education reforms to ensure our youth are globally competitive, starting from the pre-school years. Hence, in 2017 the Government has focused on instilling awareness among parents on the importance of pre-school education to encourage universal enrolment in Malaysia. The national pre-school enrolment rate rose to 84.26% in 2017, which represents 884,983 children aged 4+ and 5+.

At the primary and secondary levels, our focus has been on enhancing the command of the English language among students to raise their global competitiveness. To this end, we have carried out the Dual Language Programme (DLP) and Highly Immersive Programme (HIP) which will cultivate students who are proficient in the English language, enabling them to thrive in the highly competitive realm of employment. In 2017 alone, the DLP was implemented in 1,214 schools, a tremendous increase from 378 schools in the previous year, whereas the HIP was expanded to 5,526 primary and

secondary schools nationwide, giving over 2.54 million students greater exposure to the global lingua franca. All these initiatives are to enhance the English language proficiency without sacrificing the National Language.

In further addressing the rakyat's main concerns, the Government continues to ensure the safety and security of the rakyat through combating crime. This is demonstrated by our shift in adopting a more service-oriented approach via the Modern Policing Programme, which engages the public directly to alleviate their fears on crime. As a result of targeted efforts to tackle crime, we have recorded a remarkable improvement of index crime from 352.07 per 100,000 population in 2016 to 306.15 per 100,000 population in 2017, equivalent to a 13% decrease.

Concurrently, we have also intensified our efforts towards curbing corruption through prevention, enforcement and education. I would like to take this opportunity to highlight that we will remain committed in our determination to eliminate corruption within the public and private sectors, but will require mutual understanding and alignment from all parties to reject unethical practices and embrace integrity at all levels.

At this juncture, I would like to record my gratitude to the civil service and all Malaysians for their support and cooperation for our transformation. I am confident that together, we can continue to push boundaries in the delivery of Government services and realise not only our goal of becoming a high-income economy, but also a nation which puts the needs and interests of its citizens above all else.

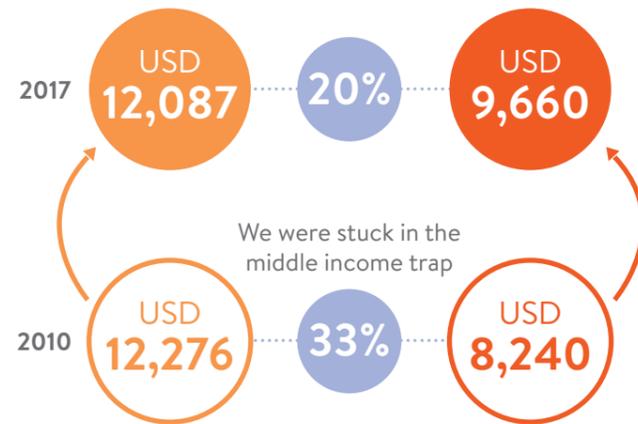
2017 Year in Review

Surging towards Becoming a High-income Nation

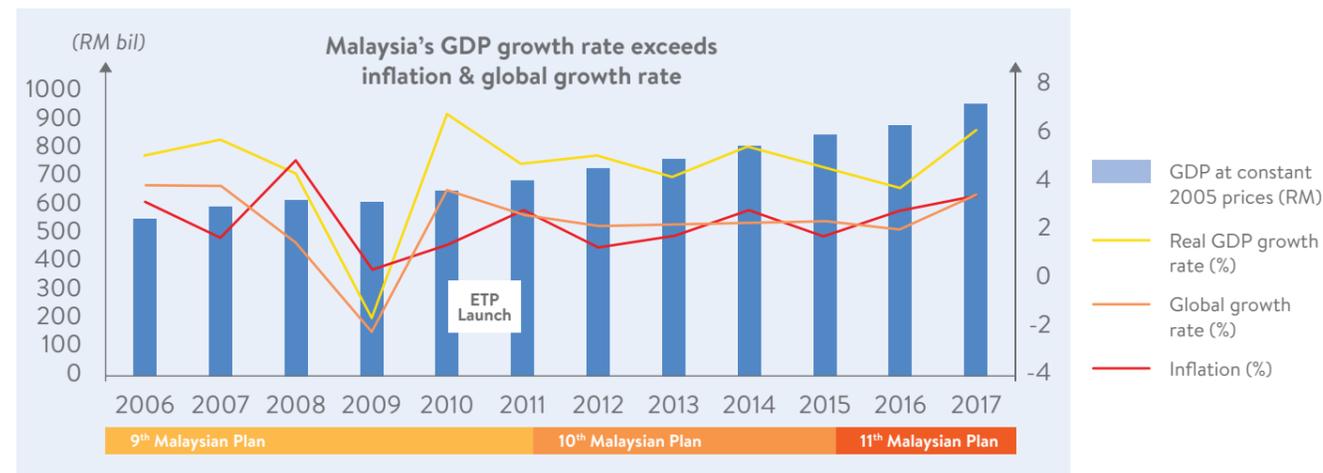
Despite the weakened MYR, the GNI per capita vs high income threshold gap narrowed from **33%** in 2010 to **20%** in 2017

- World Bank's high-income threshold
- Malaysia's GNI per capita

Based on World Bank's GNI per capita calculation (Atlas Method)



GDP growth of 5.9% in 2017 continued to surpass global growth rate



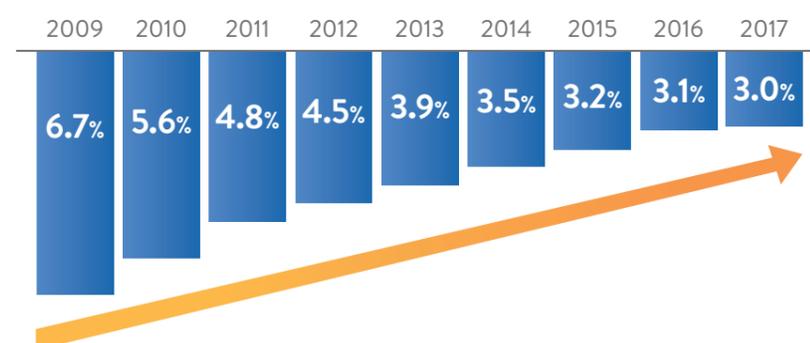
Boosting Employment

2.68 mil additional employed person since 2010



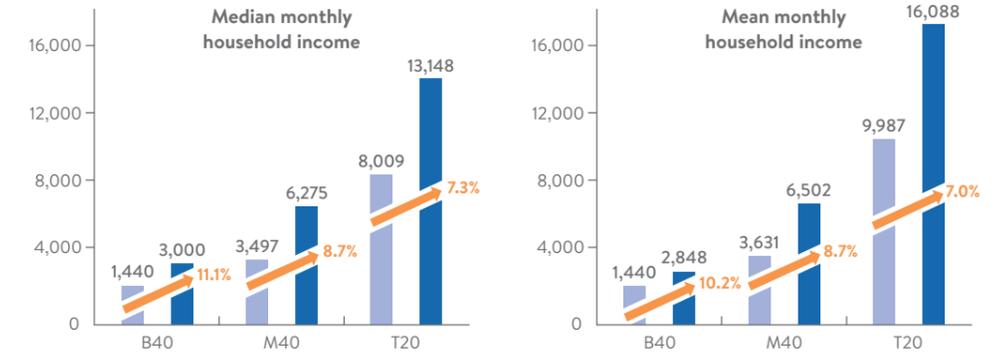
Maintaining the Target towards Fiscal Balance

Fiscal deficit narrowed to **3.0%** in 2017 from 6.7% in 2009



Increasing Household Income, Reducing Poverty Rates

Among all income stratas, the B40 have experienced the greatest increase in CAGR growth from 2009 to 2016



Income inequality has narrowed (Malaysia's Gini Coefficient)

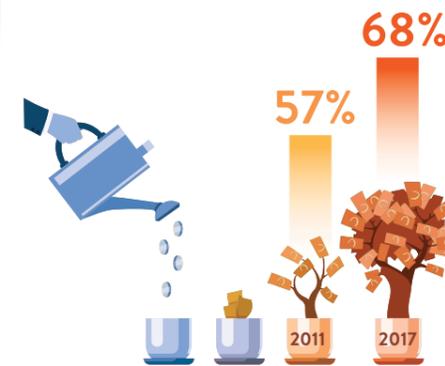


Incidence of poverty has reduced to 0.4% in 2016 compared to 3.8% in 2009



Private Investments Boosting the Economy

Private investment makes up 68% of all investments as of 2017



Realised investment accelerated post-ETP (RM bil)



- Alibaba Group has established the **Digital Free Trade Zone (DFTZ)** in Sepang
- Saudi Aramco invested **US\$7 bil** for a 50% stake in PETRONAS' RAPID
- The **RM21 bil MRT Line 1** was launched on 17 July 2017, 2 weeks ahead of schedule & below budget

Public Service Facilitating Transformation



The **National Blue Ocean Strategy (NBOS)** ensures the implementation of **high-impact & cost-efficient** transformative programmes

More than 100 NBOS initiatives have been implemented to date, including the **Urban Transformation Centres (UTC)** & **Community Rehabilitation Programme (CRP)** which have helped **save up to RM 2 bil in Government spending**



The **Problem Solving Talent Management (PSTM)** Programme was launched to **improve Government delivery processes** while complementing the NTP mechanism. The PSTM has produced notable **recommendations to mitigate critical challenges**

Improving Urban Public Transport

This sector reshapes the urban public transport sector in Greater KL/Klang Valley by implementing high-impact projects which add to a sustainable public transport network

2017 KPI **100%**

Ridership & Customer Satisfaction

1.21 million daily average ridership of rail & bus combined in 2017

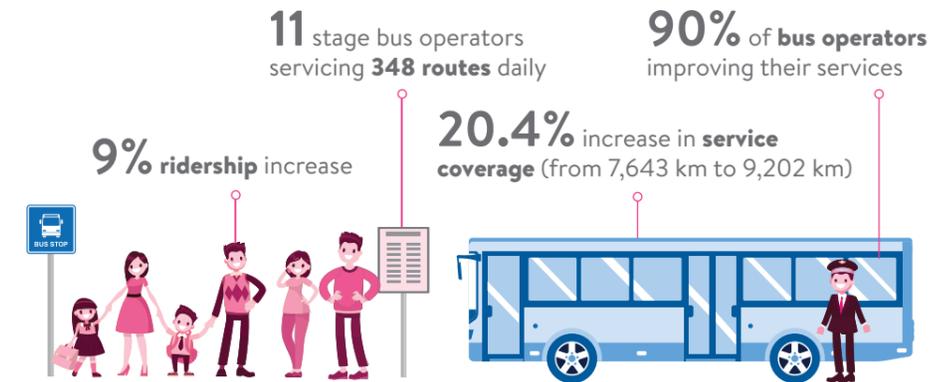


Customer Satisfaction Index improved from 84% in 2016 to **90%** in 2017



Enhancing Bus Services

Bus Network Revamp cover more of GKL/KV routes & contributed:



4,547 bus information panels installed, providing route & schedule information

8 intra-city terminal hubs, HAB have been built, integrating various forms of public transport

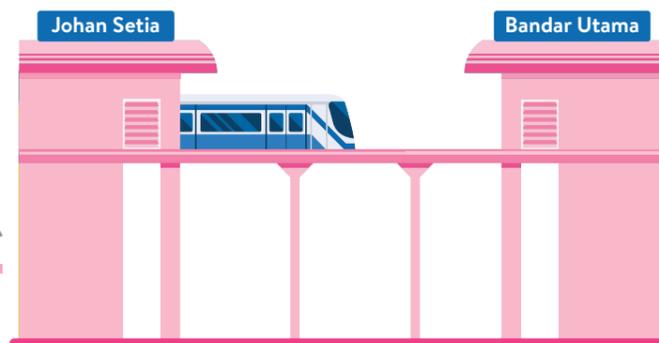


Light Rail Transit

Including the LRT Line Extension Project, LRT ridership now makes up **38%** (457,658 commuters) of the total public transport ridership



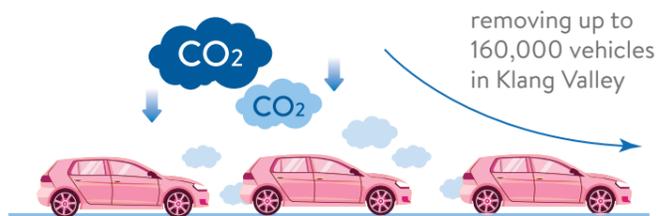
will connect **2 million** people along the western corridor of Klang Valley from Johan Setia - Bandar Utama



Mass Rapid Transit



MRT Line 1 average daily ridership of **110,000**



KTM Komuter

KVDT project expected to further improve KTMB services for passengers

Rehabilitation of 40 km of track



Enhancement of **16** stations

Taxi Industry Transformation Programme (TITP)

2,460 New individual taxi licenses approved



581 drivers received **RM5,000** cash grants to purchase new taxis



Ride-sharing regulations & policies set, allowing taxi & e-hailing services to co-exist



Journey Planner App

enabling access to:

- Unified public transport arrival information
- Schedules
- Journey options
- Real-time notifications



Integrated Common Payment System (ICPS)

A standard ticketing system for all rail operations in GKL/KV reached **61%** completion



Increasing Availability of Parking



A total of **more than 20,000** parking bays in GKL/KV to date

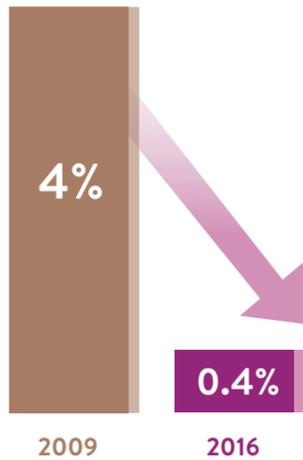


Raising Living Standards of Low-Income Households

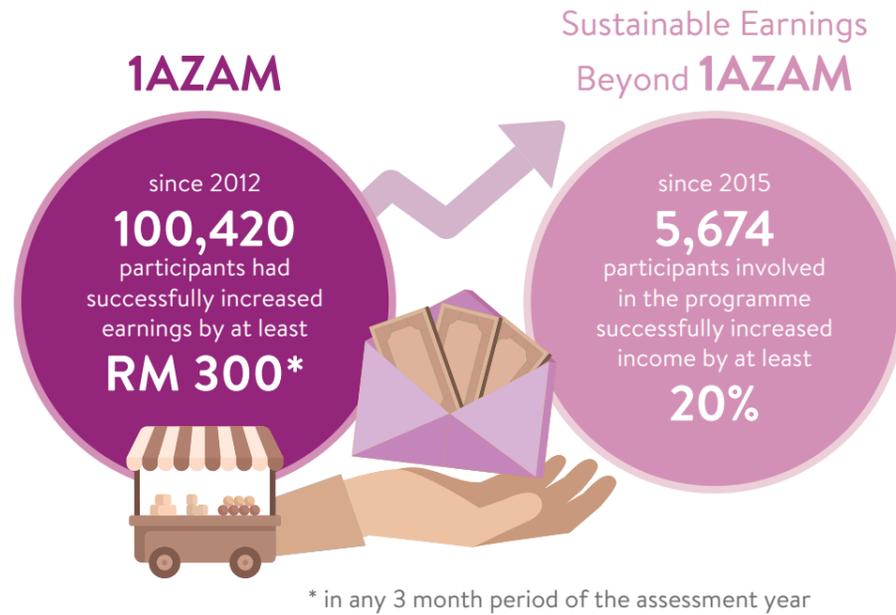
This sector emphasises economic empowerment for those in need to ensure that the nation's hard-core & urban poor are permanently uplifted out of poverty

2017 KPI **112%**

Poverty Rate has **Dropped**

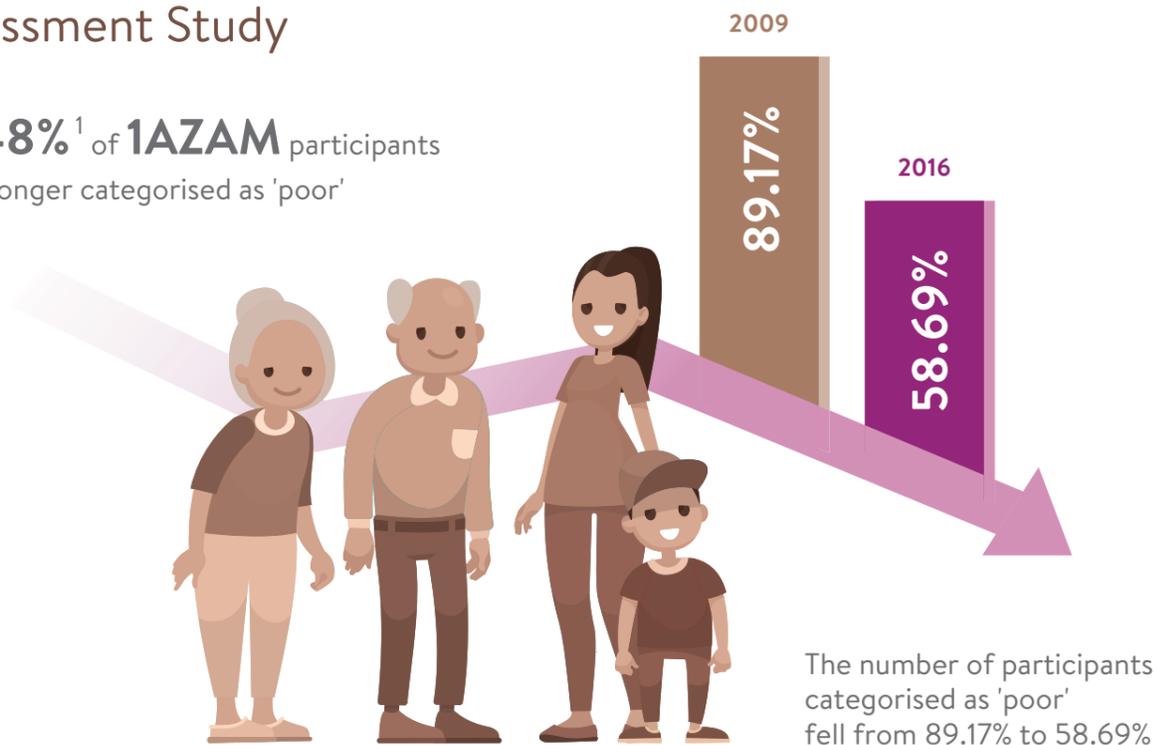


Sustainable Income for All



1AZAM 2016 Outcome Assessment Study

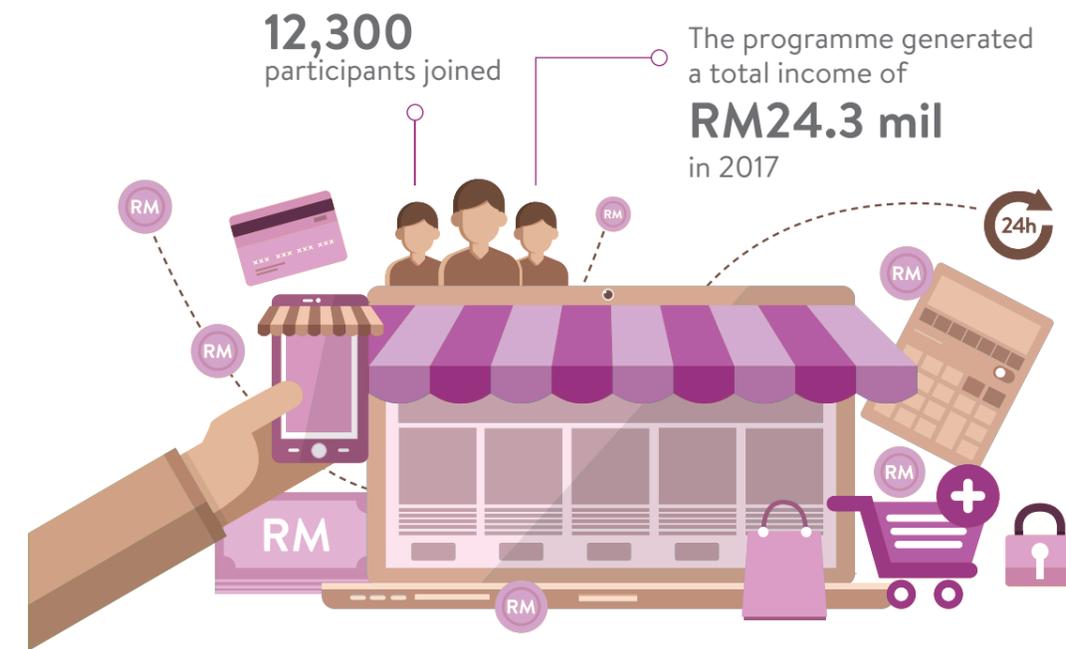
30.48%¹ of 1AZAM participants are no longer categorised as 'poor'



Breaking the Cycle of Poverty using Technology

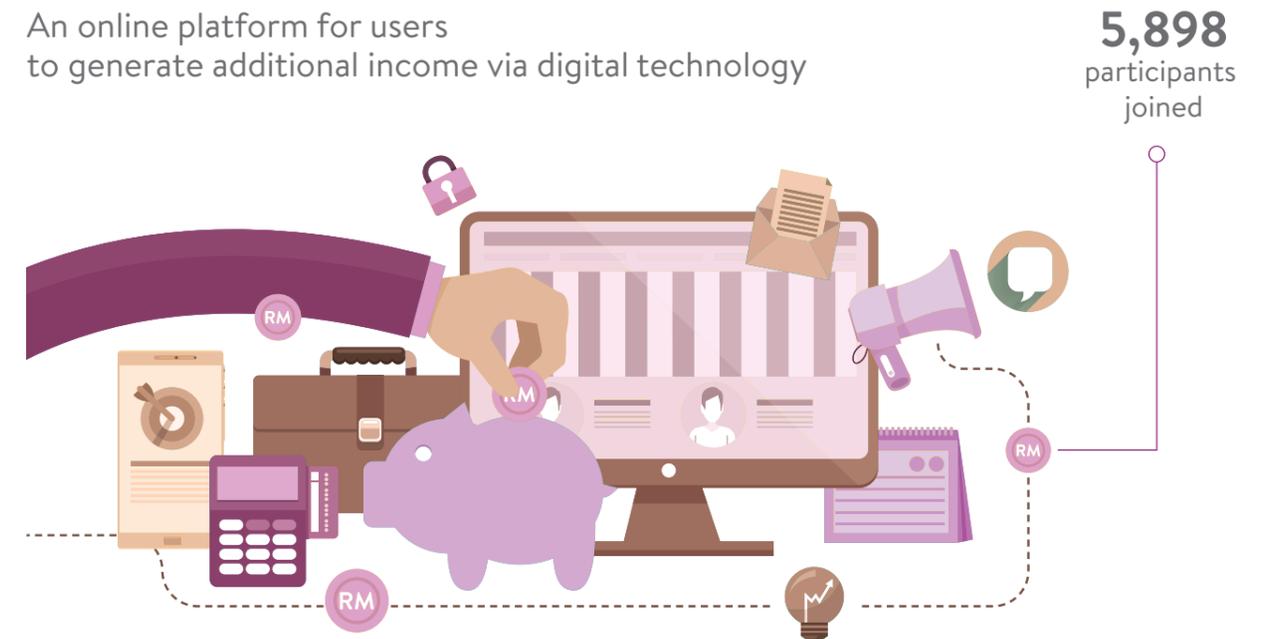
e-USAHAWAN

A digital entrepreneurship development programme



e-REZEKI

An online platform for users to generate additional income via digital technology



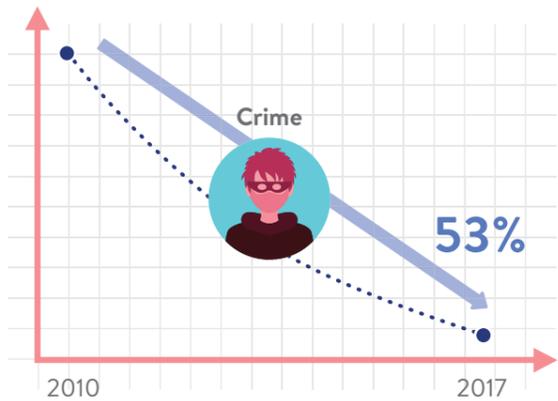
¹ From a survey by the Ministry of Women, Family & Community Development (MoWFCD)

Reducing Crime

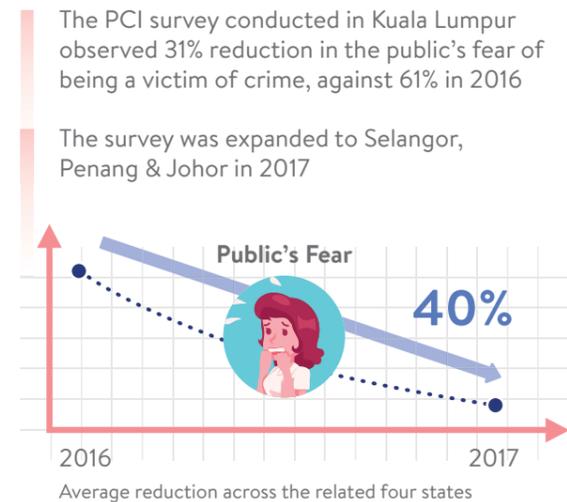
This sector continuously works to reduce the nation's overall index crime to provide a safer future for all citizens

2017 KPI **161%**

Index Crime has decreased by 53% since 2010



Perception of Crime has improved



Transforming the Police Force

Taman Tun Dr Ismail & Pantai police stations have carried out the full list of 6 initiatives under the **Modern Policing Programme**



Modern Policing to be implemented at the 22 remaining police stations in KL in 2018, with **11,500 officers** deployed on the ground

Community Oriented Initiatives



RMP **engages the community** to obtain feedback on areas of improvement to **improve the public's sense of security:**

- Talk To Us in Kuala Lumpur
- Hari Bertemu Pelanggan in 13 states nationwide

1,687 community engagements carried out by RMP in 2017

Community Empowerment Programme (CEP)

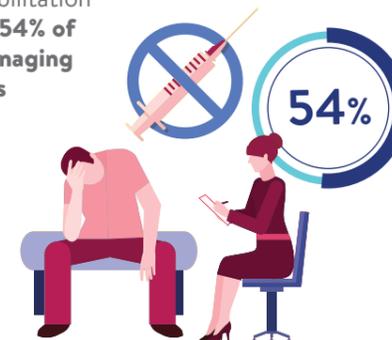
64 high risk areas has been covered by the CEP

A new approach to drug treatment & rehabilitation has been adopted to combat addiction • **Community Battery – Drug Abuse Prevention Strategies (COMBAT-DAPS)** is the main vehicle to disseminate drug abuse prevention knowledge to the community • Drawing from the practices of COMBAT-DAPS, an Empowerment Expansion Framework was developed & implemented, focusing on:

- Active Community Participation
- Capacity Building for Community Leaders
- Building a Supportive Environment

Decriminalisation of Drug Abuse through Community Involvement

Besut pilot rehabilitation project showed **54% of the patients managing to stay off drugs post-treatment**



Giving Inmates a Second Chance

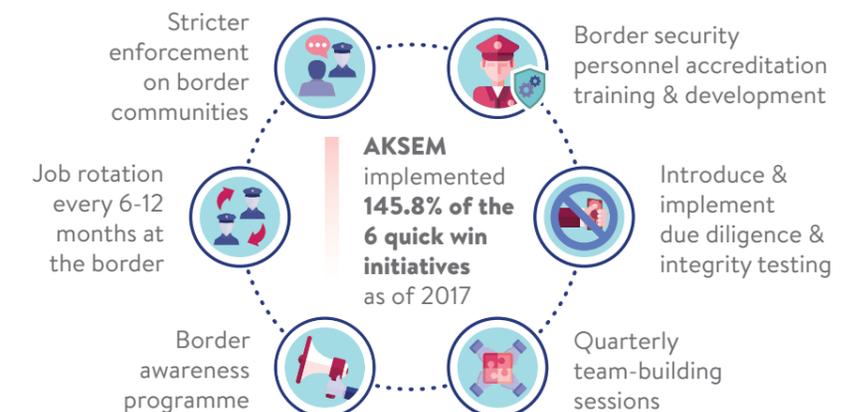
2,854 prison inmates enrolled in **training programmes** to equip them with skills & certification endorsed by the Ministry of Human Resources to **increase their employability upon release**



Enhancing Border Security

New legislation passed to support border security:

- Malaysia Border Control Agency (AKSEM) Act 2017
- Amendment of the National Security Council Directive No. 15



Fighting Corruption

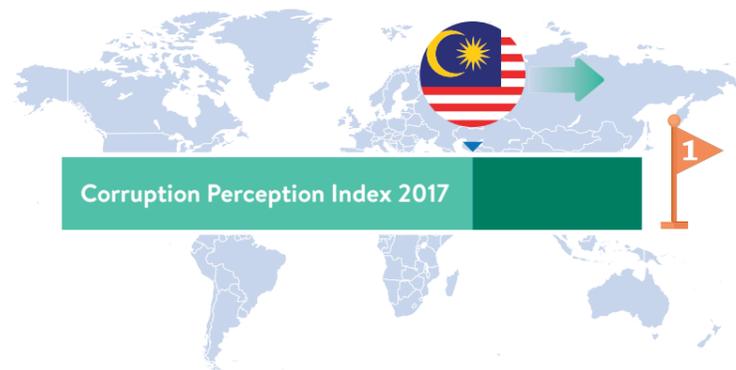
This sector enforces stricter enforcement & compliance to continuously reduce corruption in Malaysia & also to increase Malaysia's Corruption Perception Index ranking in the national campaign for integrity

2017 KPI 100%

Malaysia was ranked

62nd

out of 176 countries worldwide in 2017 in the Corruption Perception Index



Ensuring the Integrity of Corporations



The adoption of the ISO 37001 standard into Malaysia's Anti Bribery Management System (ABMS - MS-ISO 37001) amplifies existing anti-bribery controls & supports the Corporate Liability Provision

Taking a Strict Stance against Corrupt Practices



53 Public-listed Companies & Government-linked Companies

have undergone comprehensive training organised by MICG & BIA which provides guidance for the organisations to improve governance in the efforts to prevent corruption



Fighting Corruption, Together

Integrity pacts are signed to include the business community & civil society in anti-corruption efforts

223,167 integrity pacts have been signed



involving 8,681 projects worth RM 13 bil

Strengthening the Legal Framework Against Corruption



Political Financing Bill

The new draft Bill addresses feedback from the political parties involved in the engagement sessions with the NCCPF that were held in 2016 to ensure greater commitment to uphold integrity in the political system



19 Special Corruption Court Judges

have been trained in 2017 to enhance their comprehensive understanding of the provisions of law



Addressing the Rising Cost of Living

Over the course of the NTP, the Government has introduced various measures to help cushion the public from the impact of living cost, with BR1M being the primary tool for immediate relief

2017 KPI **100%**

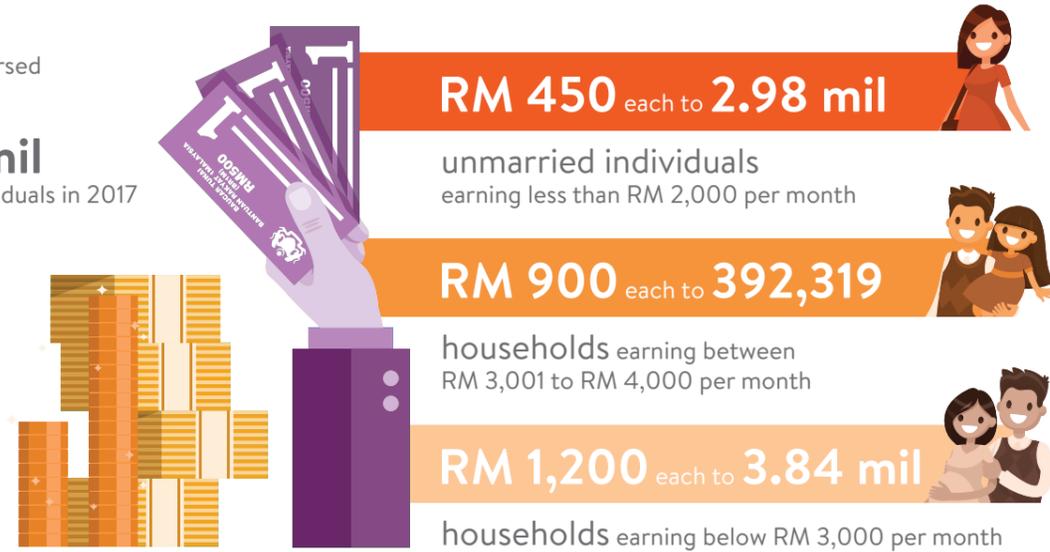
The Government disbursed a total of **RM 25.62 bil** for BR1M



assisting over **7 mil** individuals & families since 2012



The Government disbursed **RM 6.31 bil** in BR1M to **7.22 mil** eligible families & individuals in 2017



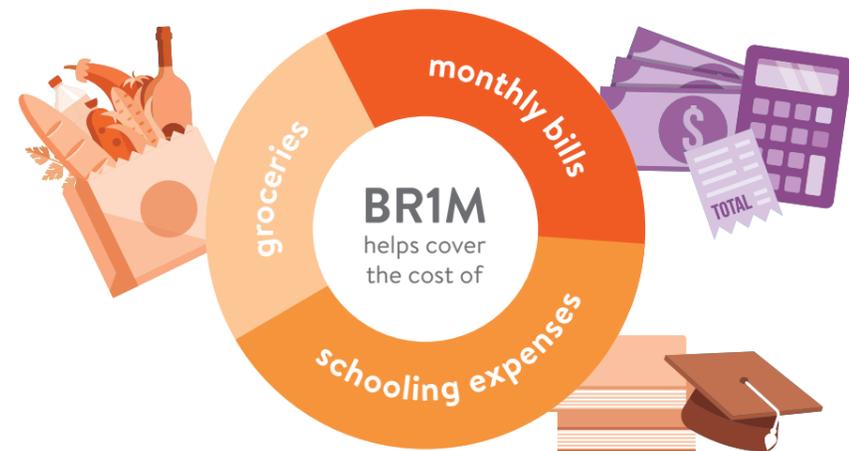
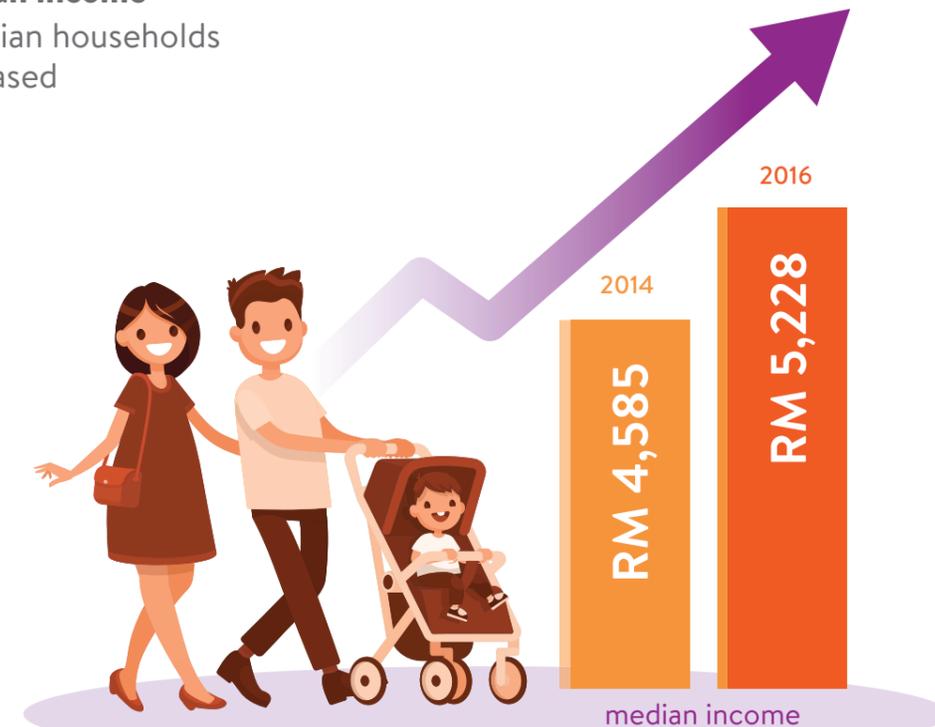
BR1M Upliftment Programme



Beneficiaries can use the **BR1M** funds towards a deposit to purchase a car to provide Uber services



Due to the catalytic effect delivered by the NTP, the **median income** of Malaysian households has increased

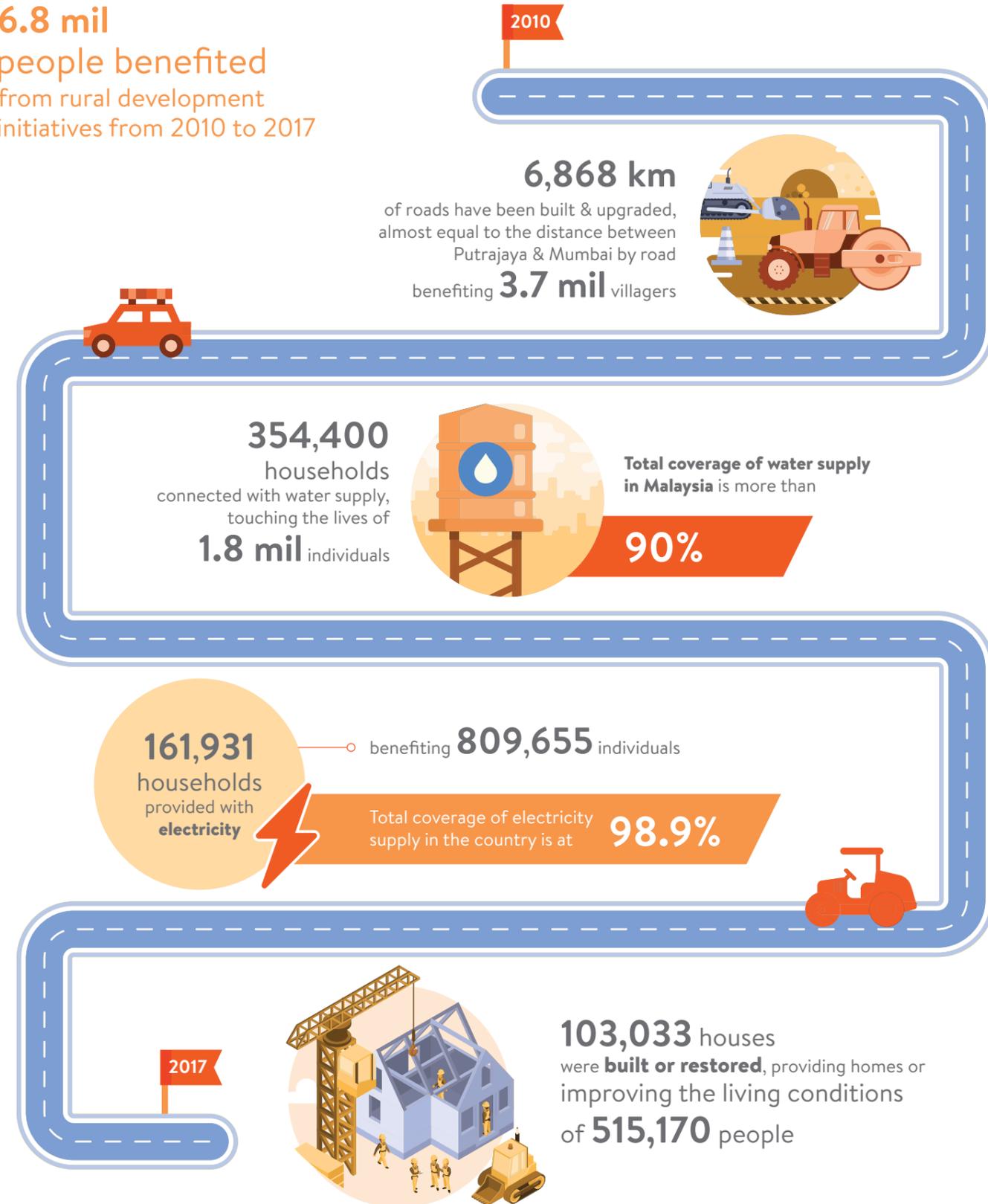


Improving Rural Development

This sector improves outcomes for rural communities through the provision of new roads & housing, connection to electricity & water as well as access to income-generating opportunities

2017 KPI **100%**

6.8 mil people benefited from rural development initiatives from 2010 to 2017



Creating Income-Generating Opportunities through Entrepreneurship

88 villages have participated in the **Desa Lestari Programme**¹ since 2013



raising the income of **95,832** individual beneficiaries

15 new villages have participated in the Desa Lestari Project in 2017



In 2017, **87%** of the 2015 **Rural Business Challenge**² winners recorded an **increase in income** of more than 30%

¹ The Desa Lestari programme aims to transform villages into modern & economically active areas which enable residents to generate higher income

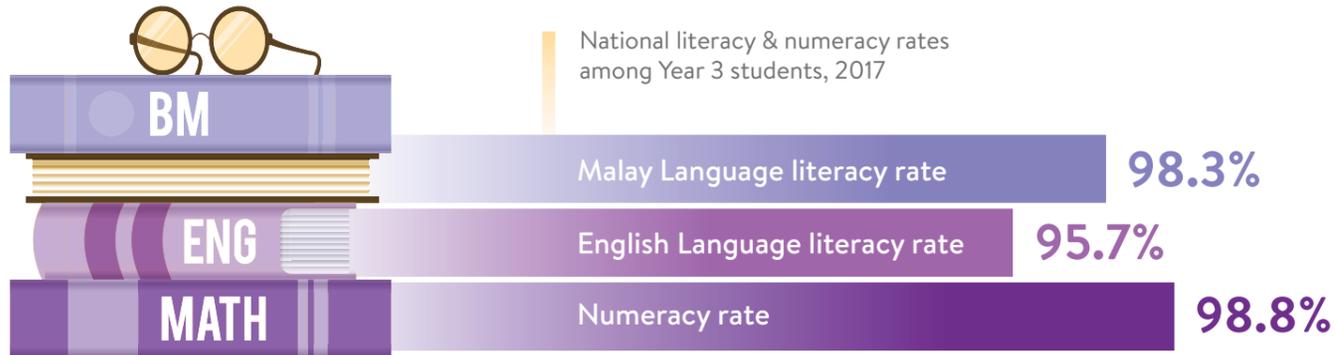
² The Rural Business Challenge is a competition which invites rural youth to propose business plans to be undertaken in rural areas

Assuring Quality Education

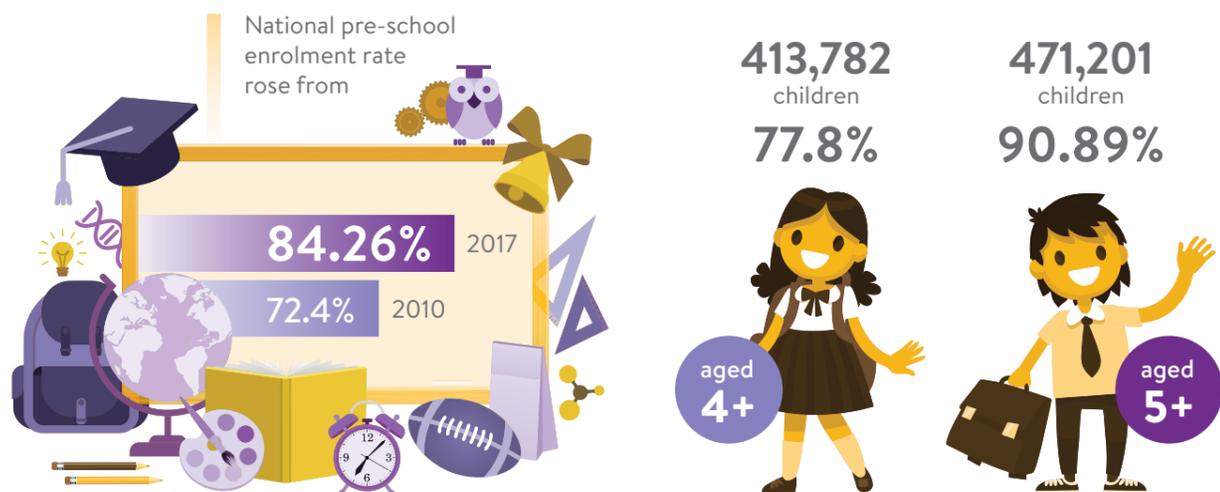
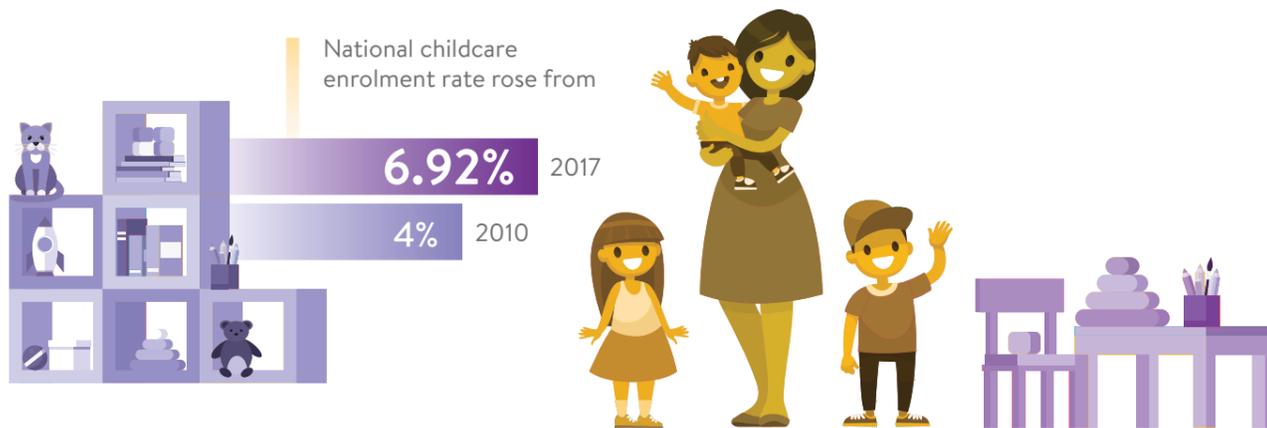
This sector holistically improves educational outcomes for all Malaysians from early childhood to the tertiary level through joint efforts from public & private sectors

KPI 2017 **102% NKRA 114% NKEA**

Improving Standards of Education



Laying the Foundation for the Future



Enhancing Competitiveness through the Dual Language Programme

Total number of schools implementing DLP: **1,214** schools **129,859** students



Improved English Scores
36.4% increase among primary students
46.4% increase among secondary students in their year-end English exams



1BestariNet

Equips schools with Virtual Learning Environment (VLE), through the Internet

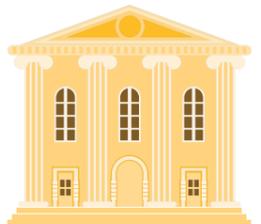
- integrated teaching, learning, collaboration & administrative functions

865,738 students utilise VLE in at least 1 session per week

Turning Malaysia into a Global Education Hub

Malaysia houses 11 international university branches

- Nottingham University
- Reading University
- Xiamen University
- Heriot-Watt University
- Curtin University
- Monash University
- Raffles University
- Asia School of Business
- University of Southampton
- Newcastle University of Medicine
- Swinburne University of Technology



Malaysia, a Global Leader for International Education

Malaysia has become a choice destination with over **170,068** international students enrolled in 2017

- **136,293** in institutes of higher learning
- **33,031** in schools & language centres
- **744** in technical & vocational institutions

Increasing the Employability of our Students

Rapidly Scaling Up & Increasing the Quality of Private Skills-Training Institutions

8,380 students were trained through industry based approaches to ensure that these students are market ready upon graduation



Greater Kuala Lumpur/Klang Valley

This sector works to make Greater Kuala Lumpur & Klang Valley a more sustainable & vibrant city by introducing initiatives which better the quality of life for Malaysians

2017 KPI **102%**

Enhancing the Liveability of Greater Kuala Lumpur/Klang Valley

According to the EIU Global Liveability Report 2017, **Kuala Lumpur is the 2nd most liveable city in Southeast Asia**



Improving Urban Connectivity

The **MRT Sungai Buloh-Kajang (SBK) Line** was completed in 2017, recording an average of **110,000 commuters daily**

As of July 2017, the **MRT Sungai Buloh-Serdang-Putrajaya (SSP) Line** is at 12.05% completion & will be **fully operational by 2022**

Both the SBK & SSP Lines are expected to provide capacity to transport a total of **900,000 commuters daily**



Making Kuala Lumpur a Multinational Hub



73 MNCs out of the targeted 100 have established their regional office or regional HQ since 2011

10,971 jobs out of the targeted 100,000 have been committed since 2011

Attracting & Retaining High-skilled Talents in Malaysia



1,206 JPA scholars have registered under the **Scholarship Talent & Attraction** programme to support the talent needs of GKL/KV

To ensure employment pass applications are processed in a convenient & timely manner to attract interested applicants, the **Expatriate Service Division's online system** has registered:



To ensure we have a steady supply of professional workers & talent:

The Returning Expert Programme approved **405** applicants
Residence Pass-Talent (RP-T) Programme approved **1,049** applicants

River of Life Phase 1 in Precinct 7

RoL Phase 1 was launched on 28 August 2017 with the completion of **river beautification** works around the **Masjid Jamek area, called the Heritage Quarter or Precinct 7**

Interceptor systems are used to clean the 10.7km river stretch within the river beautification component. To date, **4 interceptor systems have been installed** to intercept street debris

Prior to RoL, the Water Quality Index of the 8 rivers within the RoL project were at classes IV-V (heavily polluted)

Now, the **WQI of all 8 tributaries have since improved to Class III (safe for human contact)** & is targeted to achieve Class IIb (safe for recreational use) by the end of the project





Natural Gas Market in Peninsular Malaysia Allows Third-party Access

Gas Supply (Amendment) Act 2016 enforced on **16 January 2017**



New gas market licenses issued through **Third-Party Access**, allowing the entrance of new players into the market



Making Malaysia a Regional Oil & Gas Downstream Hub



The Pengerang Integrated Petroleum Complex (PIPC) currently houses the Pengerang Integrated Complex (PIC) & the Pengerang Deepwater Terminal (PDT)

The **US\$ 7 bil** investment from Saudi Aramco in the Refinery & Petrochemical Integrated Development Project (RAPID) is the **largest ever FDI inflow to Malaysia**

PDT received more than **1,458 vessels** including **7** Very Large Crude Carriers (VLCCs) & has handled **1.5 mil tonnes** of petroleum products as of December 2017



Malaysia is the Centre of OGSE Activities in the Asia-Pacific Region

18 top OGSE¹ MNCs based their HQ in Malaysia



RM 7.25 bil in investments from OGSE companies in 2017



2017: **6** OGSE MNCs set up operation in Malaysia, bringing the cumulative figure of total MNCs to **39**



Malaysia is Committed to the Paris Agreement²



Energy Efficiency

500 energy-intensive companies³ reduced total energy consumption to **14,455 GWh**

295 GWh of energy, equivalent to **RM 106 mil** will be saved through energy audits & retrofitting exercises of companies & industrial buildings

RM 200 mil in funds to spur the implementation of energy-efficiency projects



Renewable Energy

528 MW of renewable energy capacity installed through Feed-in Tariff (FiT)

Number of solar photovoltaic service providers has grown to **120** in 2017 compared to **30** companies in 2011

Net Energy Metering capacity of **6,114 kW** for 2017 approved

Completion of the Pengerang Co-generation Plant (PCP)

1 of 4 co-generation units commenced operations in mid-Oct 2017

Supplies **400 MW** to the national electricity grid

Supplies up to **1,480 tonnes of steam per hour** within the complex

Completion of the Regasification Terminal 2

Regasification unit with a capacity of **3-5 mil tonnes** per annum

Launched in November 2017, enabled **third party access into the local natural gas market**

¹ OGSE: Oil & Gas Services & Equipment

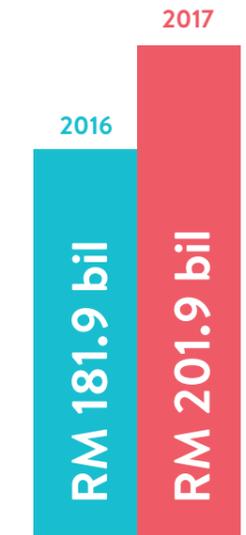
² In the Conference of the Parties 21 (COP21), Malaysia is committed to reduce its greenhouse gas (GHG) emissions intensity of GDP by 45% by 2030 relative to the emissions intensity of GDP in 2005

³ Companies with electricity consumption of 3 million kWh

Wholesale & Retail

This sector assists large & small retailers, promotes the growth of e-commerce & facilitates investments in the sector through capitalising on Malaysia's strong private consumption

2017 KPI **81%**



contribution to GNI

GNI numbers are based on 2017 current prices

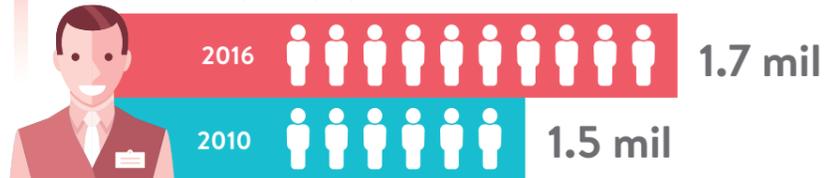


Consumer confidence in Malaysia is 28th in the world,

scoring **94** percentage points according to Nielsen's Global Consumer Confidence Report 2017, an improvement from 84 percentage points in 2016

Malaysia ranks **3rd** out of 55 countries in the AT Kearney Global Retail Development Index (GRDI) in 2017

People employed in the sector:



Building Up Small & Medium Sized Retailers



TUKAR

2,367 shops transformed

ATOM

864 shops transformed

Business confidence in participants has increased

In 2017, **25** TUKAR participants & **20** ATOM participants took up loans to further expand their businesses

Stimulating Investments & Meeting Consumer Demand



44 Hypermarkets & 56 Superstores

have been established through this NKEA

RM 1.27 bil in planned investment by Abu Dhabi's Lulu Group to set up Lulu Hypermarkets



3,000 m²



2,000 m²

Hypermarket & Superstore operators are moving to open **small format stores** in line with consumer trends

Giant launched **8** G Ekspres outlets in Klang Valley
Tesco launched **9** Tesco Xpress outlets

Preparing for the Future of Retail



4,300 career opportunities

53,000 ft² of lettable retail area



529 beds in the private hospital block (322 beds for elderly care & confinement care)



987 apartment suites



729 units of family housing



The Zen5es Wellness Resort will contribute **RM 718 mil** in GNI

Palm Oil & Rubber

This sector unlocks higher value potential for these industries & creates more opportunities for smallholders facilitating an increase in demand & increased quality of supply

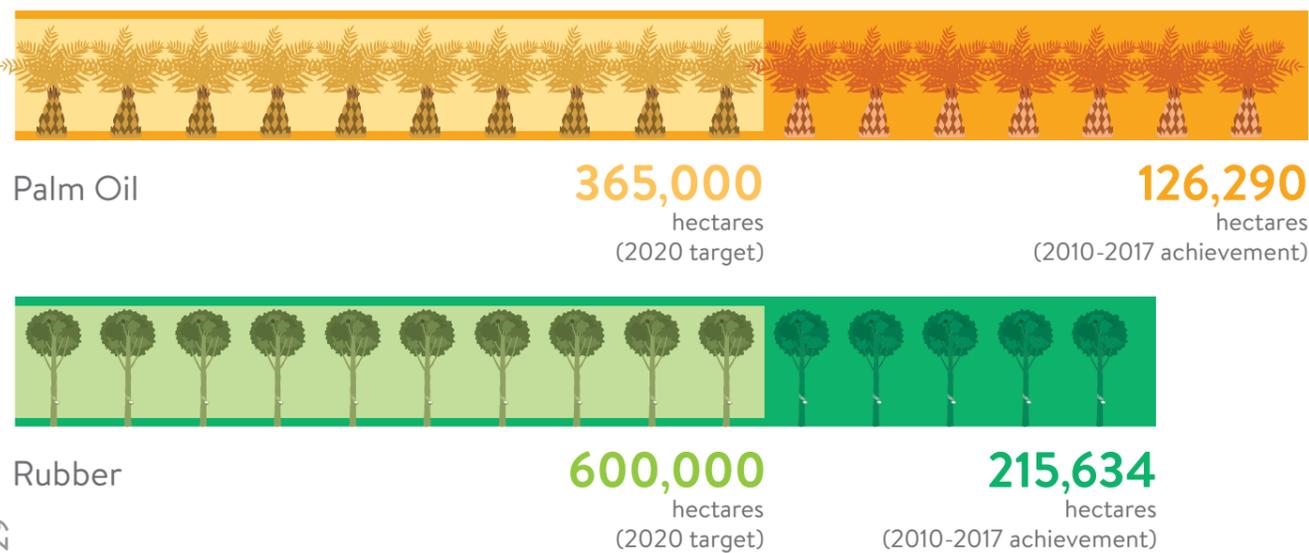
2017 KPI **136%**

GNI Contribution in 2017: **RM 79.9 bil**

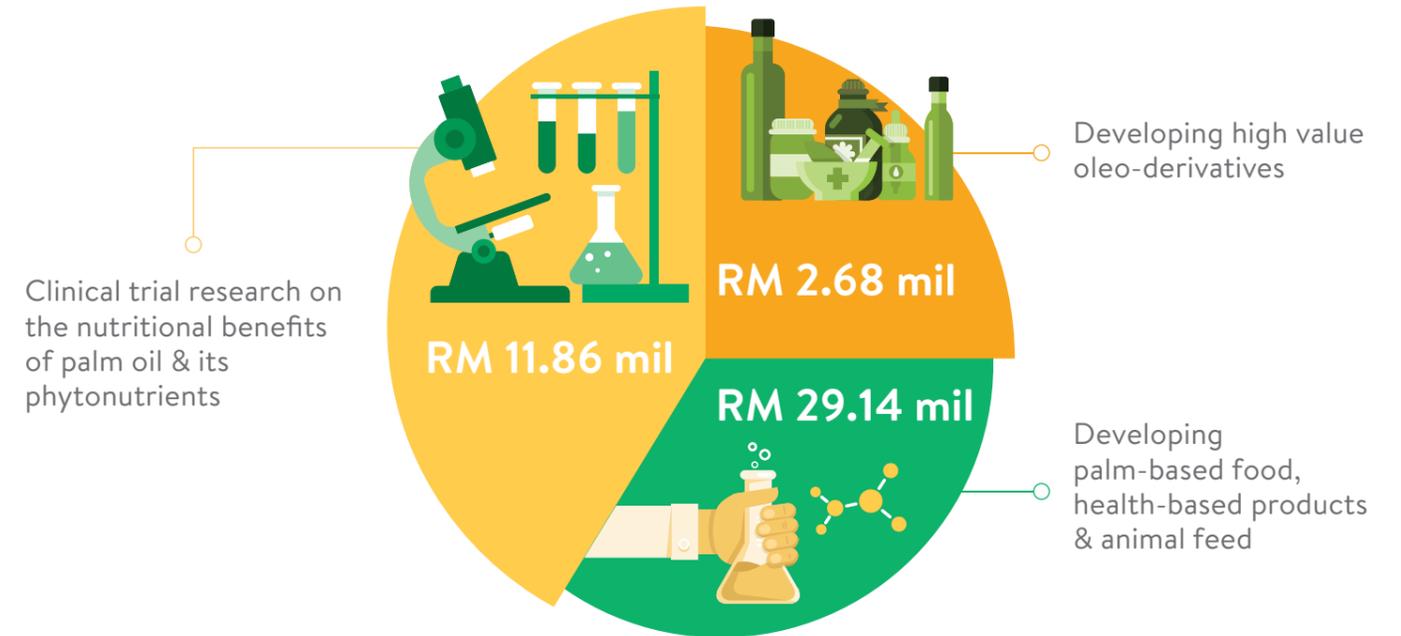
GNI numbers are based on 2017 current prices



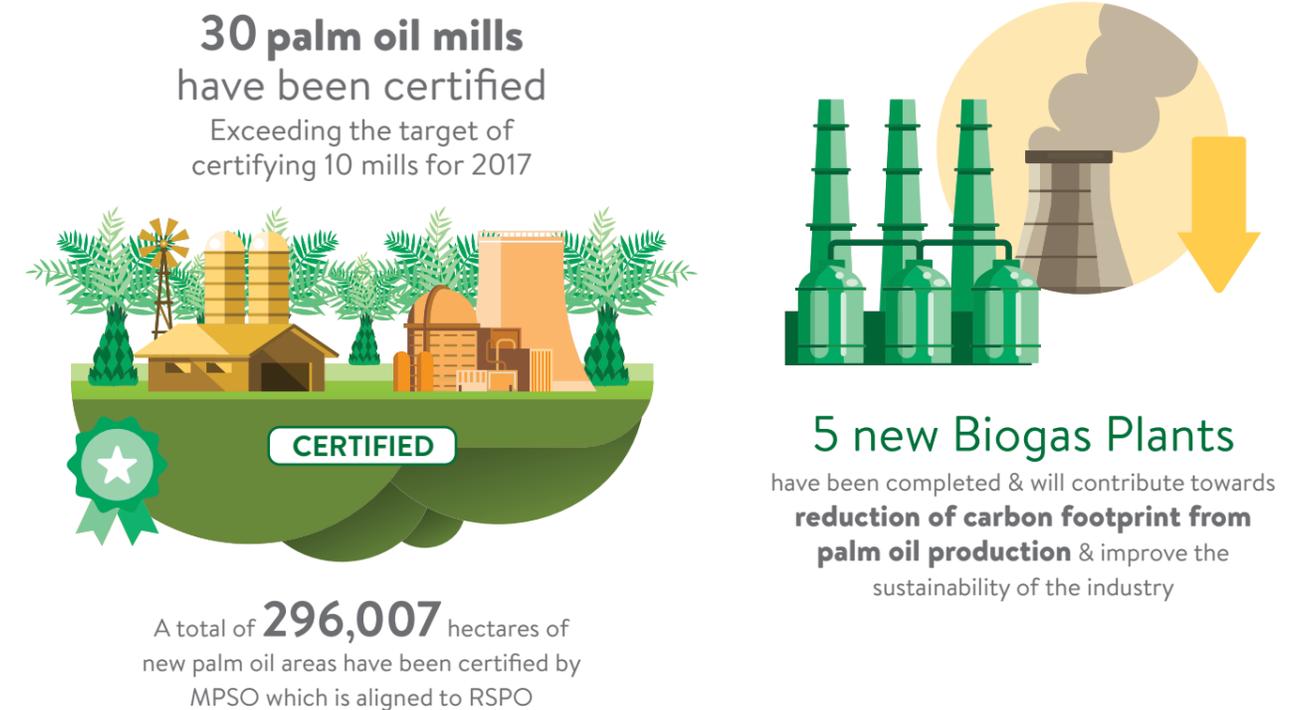
Towards the 2020 Target of Planting & Re-planting



Catalysing Downstream Growth through Government Grants



Ensuring Sustainability in line with Global Standards



Tourism

This sector focuses on new opportunities for growth by building on Malaysia's prominence as an internationally-renowned tourist destination

2017 KPI **118%**

Malaysia as a Top Tourist Destination



Total Arrivals:

2017 **25.7 mil**

2010 **24.6 mil**

RM 81.4 bil

in total receipts in 2017



e-VISA facilities enable online visa applications



• **Penang** - Must-visit destination in 2017 by CNN Travel



• **Ipoh, Perak** - One of Lonely Planet's Top 10 cities for travel in 2017



• **Kuala Lumpur** - A top 10 city in terms of tourism growth by the World Travel & Tourism Council (WTTC)



Available for **10** countries:



Malaysia's Vibrant Shopping Landscape

Tourists spent **RM 26 bil** on shopping, amounting to

32% of total tourism receipts vs **28%** in 2009



Vibrant shopping precincts attracted more tourists:

Kuala Lumpur City Centre • Bukit Bintang recorded **124** million in footfalls



Spa Industry



The Malaysian Signature Massage launched in October 2017 to elevate Malaysia's signature massage products

3 Kraftangan outlets in

- Plaza Sungai Wang, KL
- Tangs, Melaka
- Kompleks Kraf, Johor

have been opened to improve the sales for local arts & crafts

Total sales **RM 1.2 mil**

Malaysia Mega Biodiversity Hub (MMBH)

906,661 visitors have been recorded at MMBH sites in 2017



Among MMBH sites:

- Gunung Tahan
- Gunung Kinabalu
- Kuala Gandah Elephant Conservation Centre
- Taman Negara Gunung Mulu

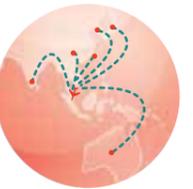
Eco Tourism Clusters

Ecotourism clusters aim to **improve local communities** & businesses along with **upskilling local talents**

New ecotourism clusters identified in 2017:

- Taiping - Kuala Sepetang - Batu Kurau - Bukit Merah (Perak)
- Lanchang - Jerantut - Taman Negara (Pahang)
- Setiu - Merang - Penarik (Terengganu)
- Bako - Santubong - Semenggoh - Bau - Padawan (Sarawak)
- Sandakan - Kinabatangan (Sabah)

Enhancing Tourist Connectivity



158,682 weekly seats secured by all Malaysian carriers for priority countries: China, India, Australia, Japan, Korea & Taiwan

Signing of new Air Service Agreement with the Government of India making 22,530 additional weekly seats available for 6 major cities in India: **Delhi, Kolkata, Mumbai, Chennai, Bangalore & Hyderabad**

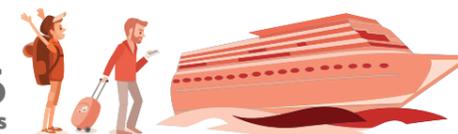


Cruise Tourism

Cruise tourism has catalysed the tourism industry by bringing in

471 international cruise calls at Malaysian ports

924,885 passengers



Major Events & Business Events

Major Events

• **Total number of international tourists 59,908**

• Examples of events: Ed Sheeran Live in Malaysia, **12,956** attendees,

RM 12.8 mil tourist expenditure

The Good Vibes Festival 2017,

RM 14.7 mil tourist expenditure

Business Events

• Total of 151 business events secured, amounting to **381,342** delegate days with total economic impact of **RM 954 mil**

• Examples of biz events: World Congress of the International Federation of Freight Forwarders Associations (FIATA) 2017 attracted **1,611** delegates & Asia Pacific Life Insurance Congress (APLIC) 2017 attracted **4,563** delegates

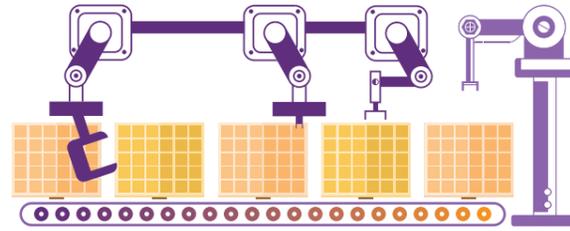
Electrical & Electronics

This sector focuses on high, value-added operations such as semiconductor advanced packaging, LED, machinery & equipment, test & measurement to push Malaysia up the value chain

2017 KPI **119%**

Sustainable Energy

Malaysia is the **world's 3rd largest producer of solar PV cells & modules** in 2017



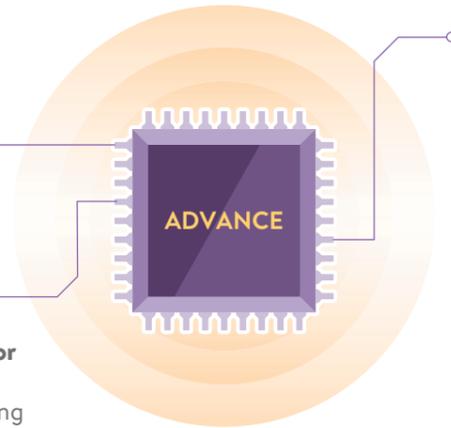
Advancing the Semiconductor Sector

Wafer Fabrication

MIMOS Advanced Analytical Services Lab saved time & cost for more than **300 companies** in failure & material analysis

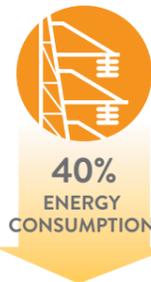
Advanced Packaging

RM 1.2 bil of private sector investment to produce wafer-level chip scale packaging & wafer bumping



Integrated Circuit Design

In 2017, the **Green Motion Controller** has been commercialised. The GMC is the integrated circuit solution which controls PMSM & can reduce:



in large electrical home appliances

Establishing Malaysia's Prominence in Test, Measurement & Automation

Building a Test & Measurement Hub

A **test & measurement hub** has been established by Keysight & 2 local players - Myreka & CEEDTec

Since 2014, these companies have co-developed **26 local products for the global market**

Creating innovation nucleus in test & measurement

10 projects by companies, universities & Government agencies utilised NI-AIN's shared service lab facility in 2017



Developing the E&E Talent Pool

Strengthening Competency in Wafer Fabrication

430 engineers & students have undergone **high impact training** under the MIMOS-NCIA Advanced Competency Development Centre in 2017



Enabling E&E Transformation

Supporting Collaborative Research & Development

118 collaborative R&D projects with a total value of **RM 125 mil** have been undertaken by CREST in collaboration with:

- 17 MNCs
- 20 Public & Private Universities
- 46 Local Companies

LED & Solid-State Lighting

Creating Local SSL Champions

RM 7.6 mil worth of matching grants provided to **11 companies** by SME Corp which led to **RM 137.6 mil** in combined annual sales in 2017 & **RM 8.4 mil** in combined annual exports in 2017

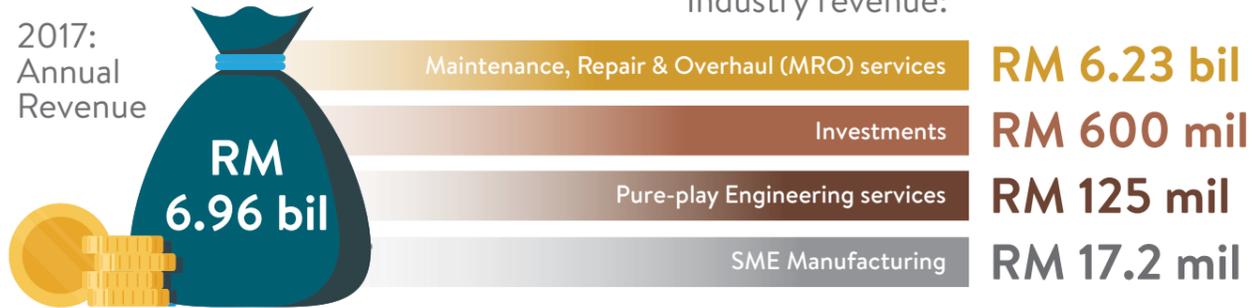
Expanding LED Front-end Operations

OSRAM's RM 4.9 bil investment in Kulim will establish Malaysia's first fully integrated LED epitaxy, wafer fabrication & product manufacturing facility



- To **produce skilled labour** for OSRAM's operations in the **LED sector**, NCIA has implemented
 1. **Northern Corridor Competency Enhancement Programme**
 2. **Technical & Vocational Education & Training (TVET) at Kulim Hi-Tech Park (TVET@KHTP) Programme**

The Aerospace Industry



Figures projected by the National Aerospace Industry Coordinating Office (NAICO) as of Jan 2018



Malaysia, a producer of aero engine parts

In 2017, the UMW Aerospace fan case manufacturing facility in Selangor started operations. At its full capacity, it can produce **250 units of fan cases** worth **RM 770 mil** annually



Maintenance, Repair & Overhaul (MRO)

Sepang Aircraft Engineering's new **12,000 m²** hangar can accommodate two aircrafts for major maintenance checks simultaneously, complementing the capacity of the first hangar



NAICO expanded its network to **Mexico & Morocco** for larger market access & increased foreign investment

Ensuring Global Competitiveness for Aerospace

Around **20** companies have been AS9100 certified since 2017 & have generated around **RM 17.2 mil** in revenue



Moving up the Outsourcing Value Chain

The Shared Services & Outsourcing (SSO) sector generated:
Annual Revenue: **RM 3 bil**
Investment: **RM 731 mil**

Figures projected by the Malaysia Digital Economy Corporation (MDEC) as of Jan 2018

To enable **Malaysia's transition into a KPO hub**, the Industry-Academia Collaboration for Global Business Services (IAC-GBS)¹ was introduced



Iskandar Puteri² City

To date, the **Iskandar Puteri city** has seen over **RM 1.6 bil** in investments with **3,000 jobs** created in GBS sector

In 2017, new entrants to Iskandar Puteri such as Aegis, Courts, KPMG & Technopals brought in **RM 447.7 mil** in total investments & created **1,397 additional jobs**



Developing Data Centres

Malaysia adopted the **Cloud First Strategy** to improve public services

The **Trusted Data Zone** was proposed to develop progressive technology governance policies for data centres

Growing the Shipbuilding & Ship Repair Industry

The **SBSR Advisory Panel** was established in 2017 to further **facilitate growth for the industry**



Leveraging Green Technologies

Green Technologies generated **RM 6.09 bil** in revenue and **RM 2.86 bil** in investments



¹ IAC-GBS allows universities, Government entities to collaborate & develop curricula for short courses & industrial training
² Iskandar Puteri is a part of Iskandar Malaysia in Johor

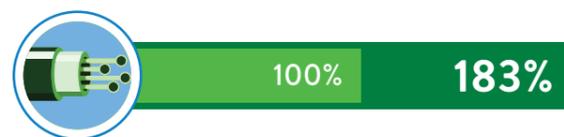


Improving Internet Connectivity for Inclusive Growth



High Speed Broadband (HSBB)

- 2017: **183%** of the annual target has been achieved
- **480,084** ports with up to 100 Mbps internet speeds were rolled out in capital cities & major towns



Sub-Urban Broadband (SUBB)

- The initiative is at **150%** completion
- **366,294** ports have been added throughout the length of the project



LTE & 4G Coverage

- LTE & 4G coverage has reached **77%** in populated areas

Pusat Internet 1Malaysia (PI1M)

Providing computers, Internet facilities, IT-related workshops & community programmes

- 2017: **52 new PI1M centres established** vs target: 50
- Current total number of PI1M: 840 centres
- 550,000 registered members

Sistem Kabel Rakyat 1Malaysia (SKR1M)

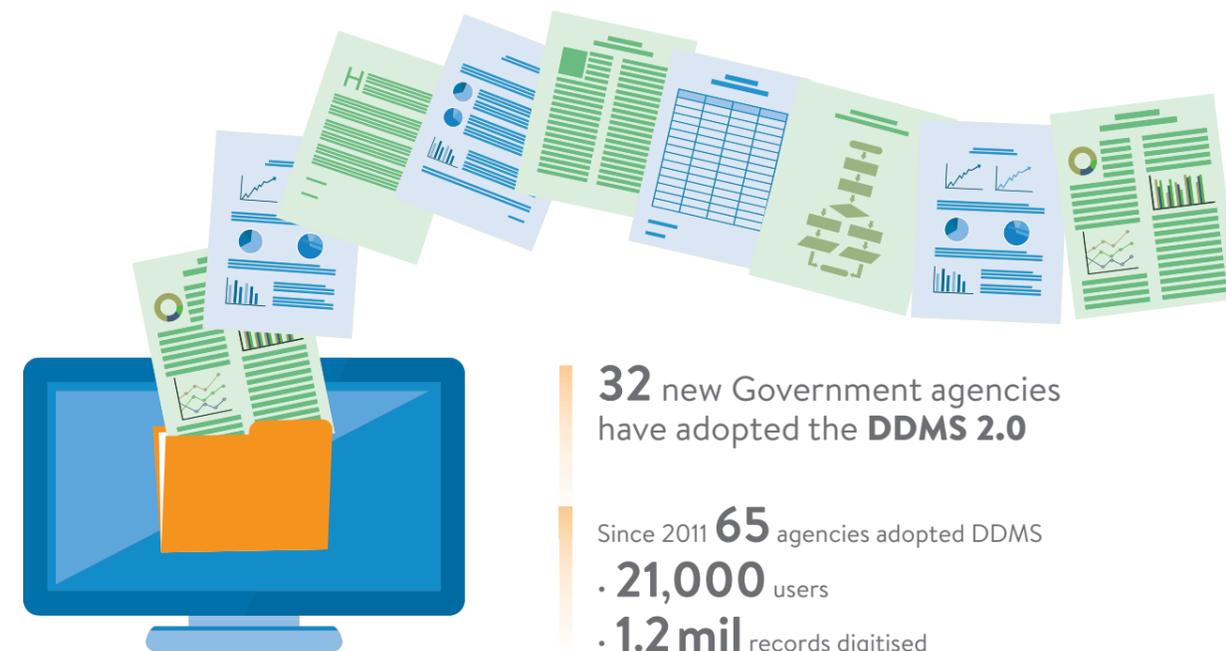
2017: Completed **3,800 km** submarine fibre optic cable

- Accelerate connectivity & reduce congestion
- Provide diversity in the country's networks
- Cater for future bandwidth requirements



Enhancing Public Service Delivery through Technology

DDMS 2.0 improves file management efficiency & services to the Rakyat & promotes eco-friendliness



32 new Government agencies have adopted the **DDMS 2.0**

- Since 2011 **65** agencies adopted DDMS
- **21,000** users
- **1.2 mil** records digitised

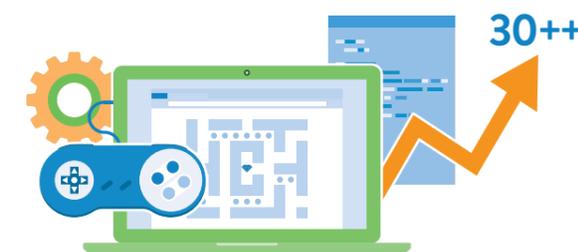
Malaysian Creative Content

Video Games

More than 30 AAA Games

Made by Malaysian talents. AAA is an informal rating recognised across the gaming industry used for video games

- Final Fantasy XV
- Uncharted
- Street Fighter V
- Dark Souls 3



Film Development

Film in Malaysia Incentives (FIMI) programme offers **30%** cash rebates on all Qualifying Malaysian Production Expenditure (QMPE)

Among the programme beneficiaries:

- ASTRO Shaw (Ola Bola)
- Animonsta Studios (BoboiBoy Season 3)
- KRU Studios (Cicakman 3D)



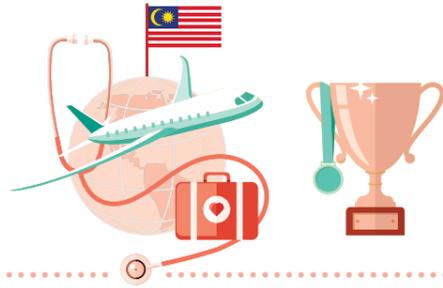
Healthcare

This sector anchors efforts to Government initiatives which enhance the delivery of care through capability & capacity building, policy improvements & active promotion of healthcare services

2017 KPI **102%**

Making Malaysia a Top Healthcare Travel Destination

Malaysia has been recognised as the **Health & Medical Tourism: Destination of the Year** for three consecutive years from 2015 to 2017 by the International Medical Travel Journal (IMTJ)



Healthcare Travel

2020 Target RM 2.8 bil

2017 Hospital Revenue reached **RM 1.3 bil**



Malaysia received **1 mil healthcare travellers** in 2017



Target Markets
• Indonesia • Myanmar • China • Vietnam

Boosting Malaysia's Exports of Healthcare Products

Total Exports for medical devices reached

RM 11.3 bil (2017) **RM 18.4 bil** (2020 Target)

■ 2017 ■ 2020 Target



195,000+ medical devices registered with the Medical Device Authority



MyBioScience Lab, Malacca & Makmal Bioserasi, UKM have commenced the **OECD GLP** compliance process & are expected to receive their GLP status in 2018 for providing world-class testing facilities for medical device production



Ensuring the Health of Senior Citizens

2017: The **Private Aged Healthcare Facility & Services Act** to regulate private aged care institutions



Love on Wheels provides mobile nursing & physiotherapy services directly to patients

Accessible through the **mSihat mobile app**



Eden-on-the-Park, a state of the art, integrated, retirement & care residence resort in Kuching provides



71 apartment suite (142 beds)

104 unit condominium block

14 single-storey villas

Pharmaceuticals



Asia's 14th Largest Pharmaceutical Exporter



Exports grew at average annual rate of 8% from

RM 577.8 mil (2011) **RM 938.5 mil** (2017)

2011

2017

Registration of generic products **reduced to 90 days** as compared to **210 working days** for prescription drugs through (QUEST 3+) system

Malaysia is a signatory of the **ASEAN Mutual Recognition Agreement for Bioequivalence (BE) Study Reports of Generic Medicinal Products**, easing registration of Malaysian generic drugs in ASEAN countries

Advancing Clinical Research in Malaysia

Launch of **Phase I Clinical Trial Guidelines** in 2017 enables Malaysia to conduct early phase trials (drug discovery & development) in Malaysia

To promote the importance of clinical trials, CRM initiated the **'I AM AWARE' campaign & Clinical Trials Day**. To date, these campaigns have **enabled CRM to register more than 2,000 patients & healthy volunteers** who have shown interest in clinical trials

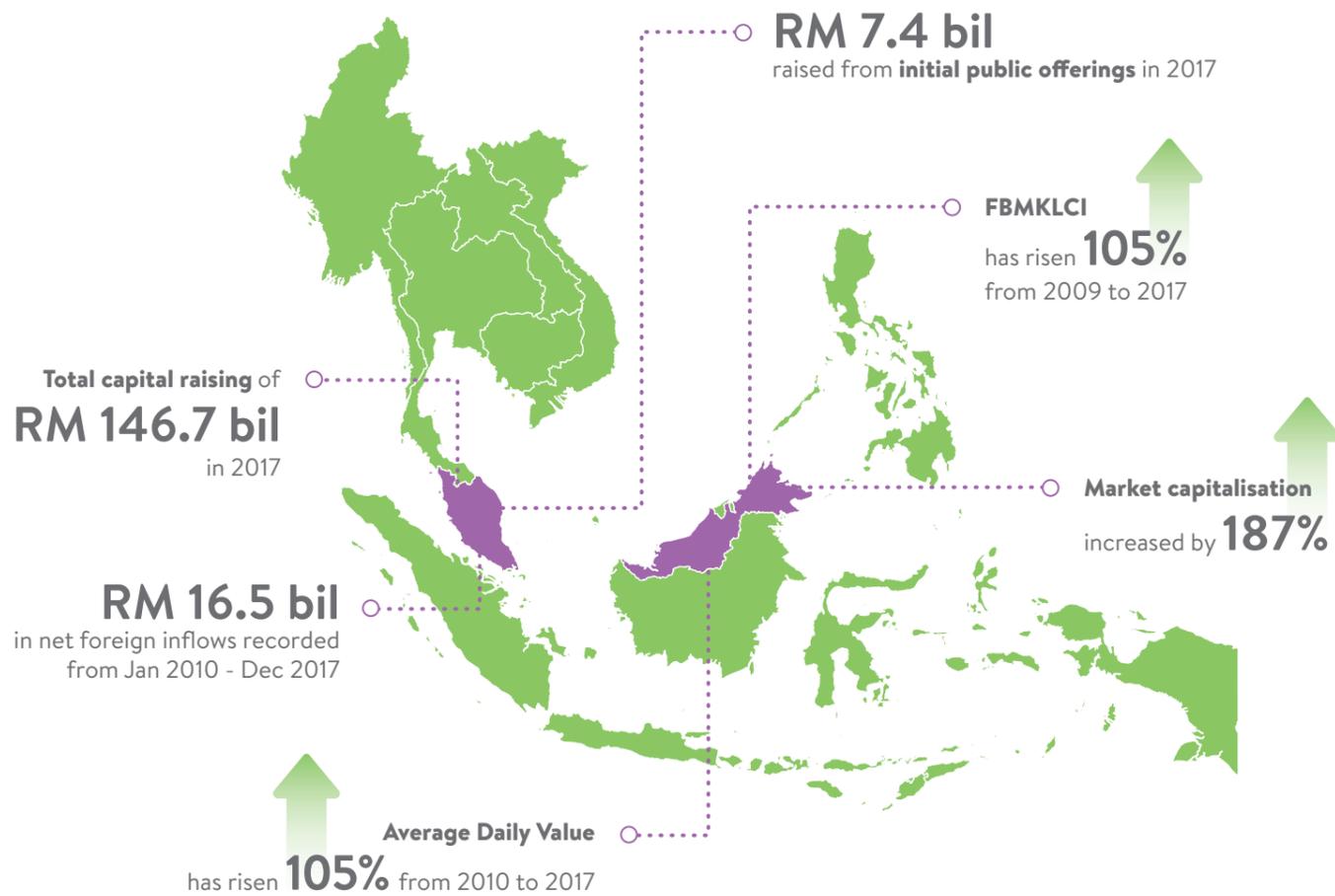


Ongoing Malaysian research may reduce the cost of Hepatitis C per patient from **RM 320,000** to **RM 1,200**



benefitting more than **500,000** Malaysians

ASEAN's Leading Marketplace



Enabling Inclusive Access to the Capital Market



Global Leader in Islamic Finance



Embracing Technology for Inclusive Financial Solutions



Increasing Insurance & Takaful Penetration to 75% by 2020

Insurance companies started offering life insurance products through direct channels in July 2017 to expand the reach of insurance products to the public



Agriculture The sector is focused on agribusinesses through exports of high-value products

2017 KPI **118%**

154 new processed food SMEs have been developed, recording total sales value of **RM 1.1 bil** from 2015 to 2017



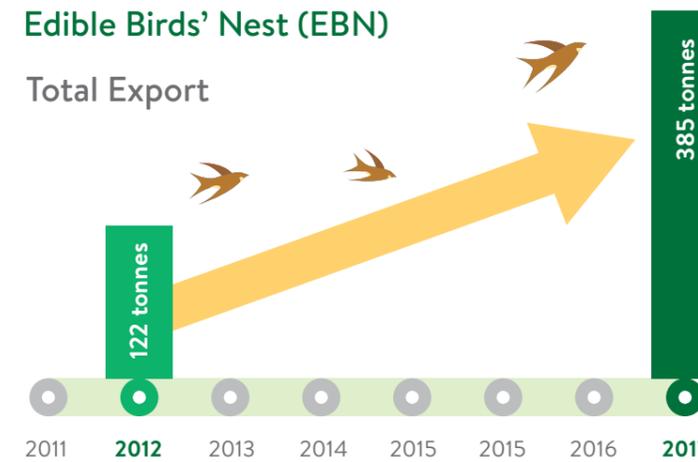
Malaysia - a global producer of high value herbal products

27 Malaysian made high-value products have entered clinical trials to meet global market requirements



Edible Birds' Nest (EBN)

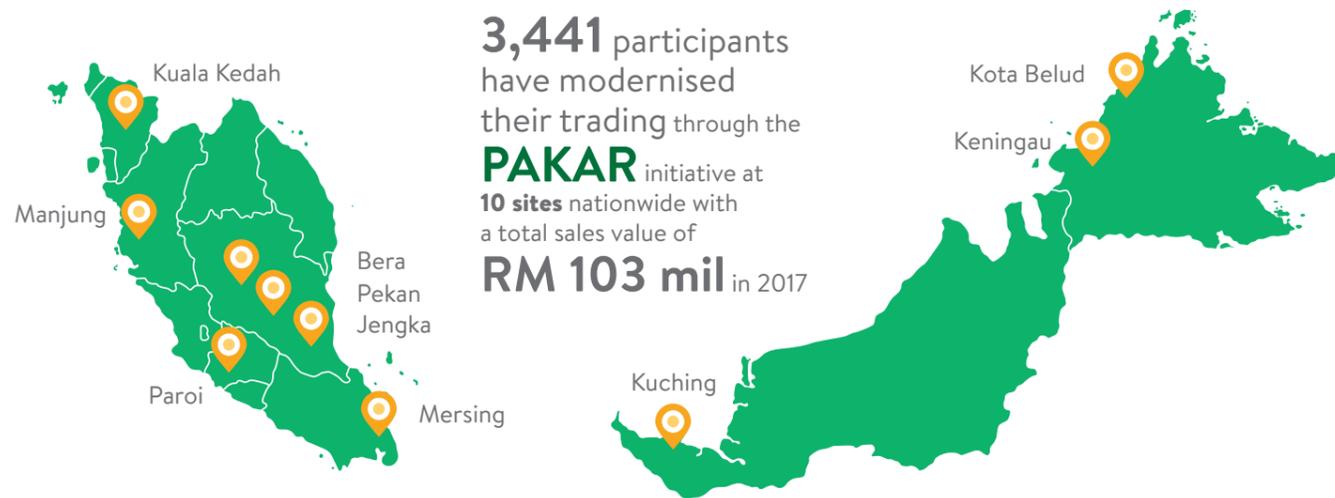
Total Export



19 local companies export EBN products to China

EBN Product exports to Hong Kong, China & Taiwan between 2011 and 2017 are valued at:

- Hong Kong: **RM 507.51 mil**
- China: **RM 360.57 mil**
- Taiwan: **RM 166.71 mil**



350 local vendors & **25** stockists are now product distributors for Holstein Milk (Farm Fresh Milk), contributing to an increase in local milk market share to

61.24% against imported fresh milk



615 farmers benefited from the transformation of seaweed farming through increased income opportunities



Exports for local fruits & vegetables has increased to **RM 2.59 bil** in 2016 as compared to **RM 1.38 bil** in 2011





Human Capital Development

This SRI upskills & reskills the country's talent pool & leverages on women talents to meet the human capital needs of a high-income nation, while enabling workers to secure higher income jobs through capability building programmes as well as the appropriate legislation

2017 KPI **123%**

Safeguarding Employee Security

3 new major laws have been passed & 2 main initiatives have been implemented to ensure employment security

Laws:

The Employment Insurance System (EIS) Bill 2017



The Private Employment Agencies (Amendment) Bill 2017



The Self-Employment Social Security Act 2017



Initiatives:

The 1Malaysia Outplacement Centre (1MOC)



Helped **3,162** retrenched workers regain employment

SOCSCO's Return to Work Programme

Provides return-to-work, retraining & employment support as well as job placement services

18,137 insured workers successfully rehabilitated



Upgrading the Skills & Competitiveness of the Malaysian Workforce

3,182 candidates under the Recognition of Prior Experiential Learning (RPEL)



899 candidates replaced under The Train & Replace Programme



129 candidates under the OKU (Persons with Disabilities) Talent Enhancement Programme (OTEP)

The Global Human Capital Report 2017 WEF

33rd in the world up from 42nd in 2016

Malaysia ranked **2nd** in SEA



Skilled Workforce

2017 **28%** (at Q3 2017)
2016 **27.3%**



Mean monthly household income of Malaysians

2016 **RM 6,958**
2009 **RM 4,025**



Median monthly household income of Malaysians

2016 **RM 5,228**
2009 **RM 2,841**

Raising Female Participation in the Labour Market

Female labour force participation rate



The guiding principles to raise female labour force participation rate "3R" principles

Retaining female workers in the workforce



Returning them to work after a period of absence



Rising them to the top-decision-making level in the corporate sectors



Initiatives to raise female participation rate in the labour market:

- Career Comeback Programme (CCP)
- Flexible Work Arrangement (FWA)
- New childcare centres in the workplace

2017 Women Board Directors of Asia Pacific Companies Report



Malaysia **3rd** out of 20 Asia Pacific Countries for women representation on Boards according to the Women Board Directors of Asia Pacific Companies Report



Target: 30% Women on Boards to ensure inclusive participation at the decision-making level

Percentage of women directors in all public-listed companies:



Percentage of women directors in the top 100 public-listed companies:





Public Service Delivery Transformation

This SRI continuously improves processes & the service quality of public services by implementing projects which set nationwide standards for public service delivery

2017 KPI **114%**

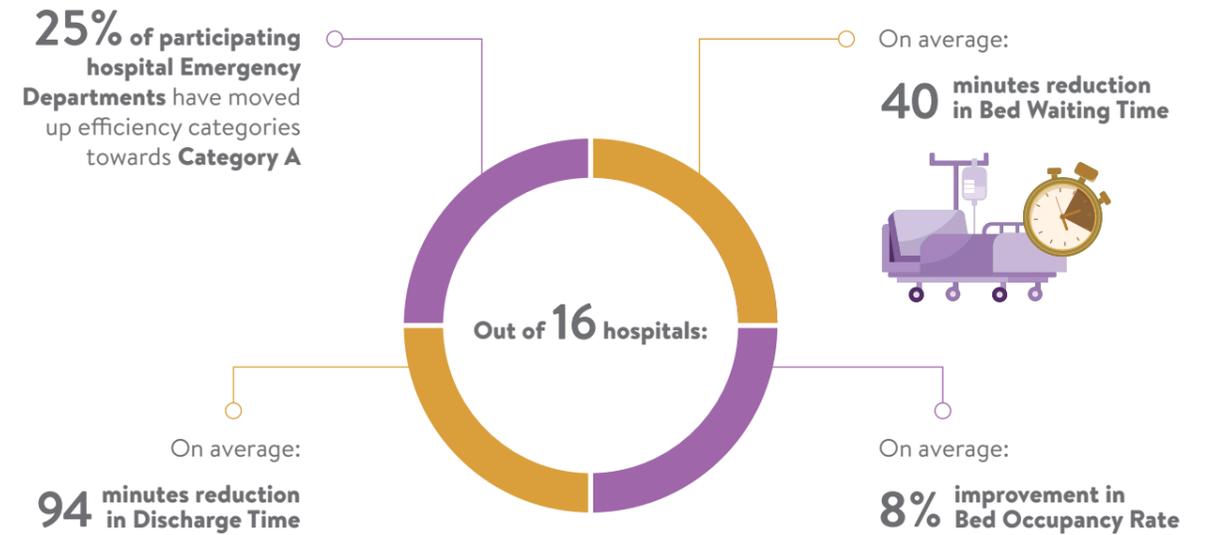
LEAN Healthcare Transformation Projects

Aims to reduce waiting time & congestion in hospitals by improving process flow of patients' visit at MOH hospitals mainly in **Emergency Departments (ED) & Medical Wards (MW)**

52 out of 134 **Government Hospitals nationwide** have **embarked on LEAN** ED & MW as of Dec 2017



Key Results on Emergency Department & Medical Wards



Improve Operating Theatre (OT) utilisation



Improve delivery of hospital support services



Improve management of medical records



Introduce a block appointment system in specialist clinics



MOH initiated 5 LEAN Pilot Projects in 2017 to Reduce Congestion in Hospitals



Improve turnaround time on urgent diagnostic tests run by the Pathology department

Key Results on Pathology (Core Lab)



The number of urgent tests processed within



Full Blood Count (FBC) tests improved by **18%**

Biochemistry key diagnostic test improved by **167%**

Key Results on Management of Medical Records



Records retrieval period reduced from



reduced from **35%** to **5%**

COPY CARD (Temporary Records) reduced from





Competition, Standards & Liberalisation

This SRI works to increase awareness of competition law, heightened standards of local products and services & the progressive transition of the services sector to become more knowledge-intensive & innovation led

2017 KPI **113%**

MALAYSIA ranks

24th

in the World Bank's Doing Business 2018 report,

placing the country

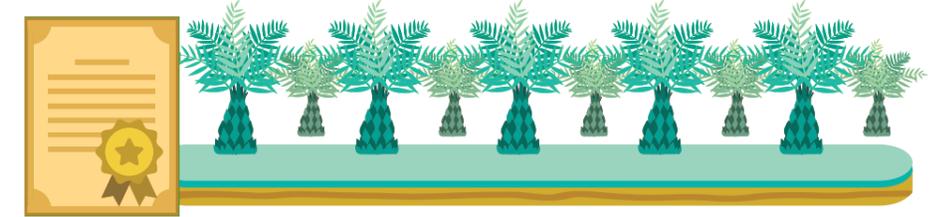
4th

in ease of doing business in Asia



Improving Environmental Standards

210 oil palm plantations have been awarded the **Malaysian Sustainable Palm Oil certification**



2,319 eco-friendly local products recognised under the **MyHIJAU** label, including air conditioners, televisions, refrigerators & biodegradable detergents



Fostering a Culture of Competition



e-Learning System on Competition Compliance Programme for SMEs

launched in 2017, serving as a one-stop portal for information on CA2010

Creating a Quality Culture



5,331 Malaysian Standards have been made available for businesses & consumers of which **510** of those standards are being made mandatory by regulators



298 companies participated in **MyHIJAU SME & Entrepreneur Development Programme**¹

Ensuring Quality & Security of Food

3,895 food manufacturing premises have been **MeSTI certified** since 2012



The cumulative number of farms certified with MyGAP, including fruit & vegetable, aquaculture & livestock farms, increased **451%** from 1,378 farms in 2011 to 6,228 farms in 2017



All **25** Ministries adopted the **Green Government Procurement** initiative contributing to Malaysia's efforts to reduce its carbon footprint

¹ A programme which aims to facilitate & encourage more producers, manufacturers & service providers to move towards providing green products & services

Narrowing Disparity

This SRI creates paths for the development of the Bumiputera community to enable increased business & employment creation, alongside business opportunities for them

2017 KPI **145%**

Empowering Human Capital

As of 2017 programmes under Yayasan Peneraju Pendidikan Bumiputera aided:



INSKEN Develops the Capacity & Competitiveness of Bumiputera Companies



Teraju International

RM 100 mil allocated to Strengthen Bumiputera Export Competitiveness



Boosting the Bumiputera Economy



Two Bumiputera companies were listed on Bursa Malaysia in 2017 via the Skim Jejak Jaya Bumiputera (SJJB) programme with an increase in market capitalisation by more than 50%

Creation of Business Opportunities

RM 1.73 bil from Facilitation Fund supported



RM 80.47 bil worth of Business Opportunities have been carved out in 2017

Carve-out & Compete in 2017



Transformasi Kesejahteraan Bumiputera



Developing Entrepreneurship with DPUB & SUPERB



RM 110 mil disbursed under Dana Pembangunan Usahawan Bumiputera (DPUB) to benefit **11,488** Bumiputera entrepreneurs since 2015



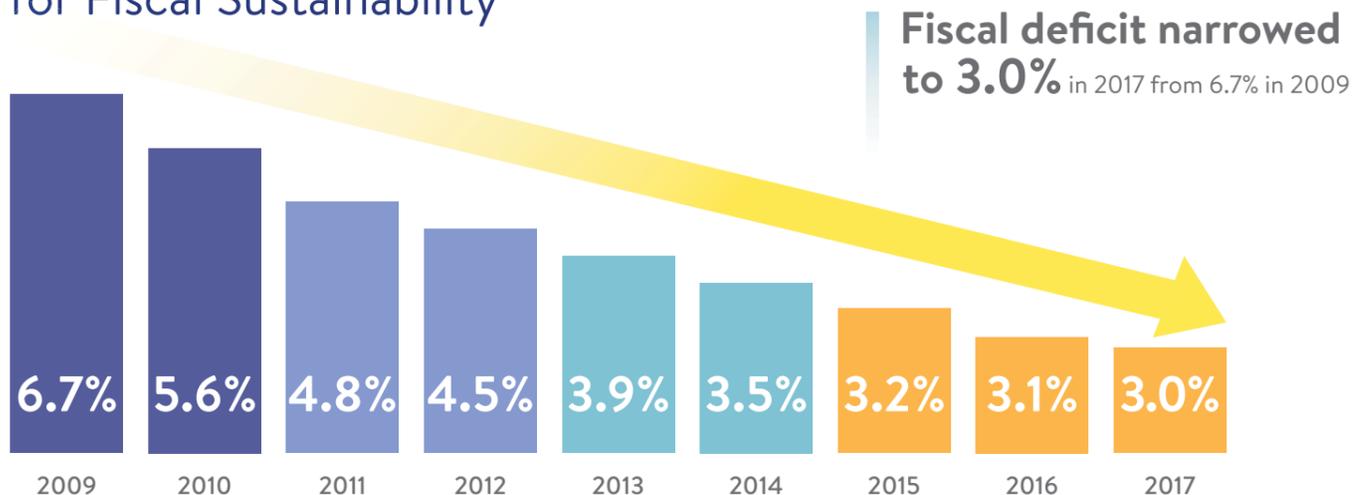
RM 79.8 mil in grants allocated to **201** SUPERB winners

Public Finance Reform

This SRI focuses on exercising prudence in terms of Government spending while increasing its revenue to ensure a sustainable fiscal position

2017 KPI **100%**

Targeting near-balanced Budget for Fiscal Sustainability



Diversifying Sources of Government Revenue



Exercising Expenditure Control



Budget 2018 is the Government's first budget to adopt **Outcome Based Budgeting** enabling better expenditure management by focusing spending decisions on outcomes



Glossary

- 1AZAM** : Akhiri Zaman Miskin
- ASEAN** : Association of South East Asian Nations
- ATOM** : Automotive Workshop Modernisation
- AUG** : Auditor General
- B40** : Bottom 40% of income earners
- BIA** : Business Integrity Alliance
- BPD** : Barrels per day
- BR1M** : Bantuan Rakyat 1Malaysia
- CA2010** : Competition Act 2010
- CAGR** : Compounded Annual Growth Rate
- CEI** : Community Engagement Index
- CPI** : Consumer Price Index
- CREST** : Collaborative Research in Engineering, Science & Technology
- CRM** : Clinical Research Malaysia
- DDMS** : Digital Document Management System
- EBN** : Edible birds' nest
- ETP** : Economic Transformation Programme
- FBMKLCI** : FTSE Bursa Malaysia Kuala Lumpur Composite Index
- FDI** : Foreign direct investment
- GBS** : Global Business Services
- GLP** : Good Laboratory Practice
- GNI** : Gross National Income
- GWh** : Gigawatt hours
- HAB** : Hentian Akhir Bandar (city-centre hubs)
- HQ** : Headquarters
- IAC** : Industry Academia Collaboration
- INSKEN** : Institut Keusahawanan Negara (National Entrepreneurship Institute)
- JPA** : Jabatan Perkhidmatan Awam (Public Service Department)
- KDVT** : Klang Valley Double Track
- KPI** : Key Performance Indicator
- KPO** : Knowledge Process Outsourcing
- KTMB** : Kereta Api Tanah Melayu Berhad
- Kw** : Kilowatt
- LEAP** : Leading Entrepreneur Accelerator Platform
- MeSTI** : Makanan Selamat Tanggungjawab Industri (Food Safety is the Responsibility of the Industry)
- MICG** : Malaysian Institute of Corporate Governance
- MNC** : Multinational Corporation
- Mw** : Megawatt
- MyCC** : Malaysia Competition Commission
- MyGAP** : Malaysian Good Agricultural Practices
- NBOS** : National Blue Ocean Strategy
- NCCPF** : National Consultative Committee on Political Financing
- NCIA** : Northern Corridor Implementation Authority
- NI-AIN** : National Instruments Academy & Innovation Nucleus
- NKEA** : National Key Economic Area
- OECD** : Organisation for Economic Co-operation & Development
- OGSE** : Oil, Gas, Services & Equipment
- PAKAR** : Pasar Komuniti & Karavan
- PCI** : Perception of Crime Indicator
- PLC** : Public Listed Company
- PMSM** : Permanent Magnet Synchronous Motor
- PnR** : Park 'n' Ride
- PV** : Photovoltaic
- RMP** : Royal Malaysia Police
- RSPO** : Roundtable on Sustainable Palm Oil
- SJJB** : Skim Jejak Jaya Bumiputera
- SME** : Small & Medium Sized Enterprise
- SOCISO** : Social Security Organisation
- SRI** : Strategic Reform Initiatives
- SSO** : Shared Services and Outsourcing
- SUPERB** : Skim Usahawan Permulaan Bumiputera
- TUKAR** : Transformasi Kedai Runcit
- WQI** : Water quality index