



# Rukun Negara

Our nation, Malaysia, being dedicated  
to achieving a greater unity of all her peoples;  
to maintaining a democratic way of life;  
to creating a just society in which the wealth of the  
nation shall be equitably shared;  
to ensuring a liberal approach to her rich and diverse  
cultural traditions; and  
to building a progressive society which shall be  
oriented to modern science and technology.

We, her peoples, pledge  
our united efforts to attain  
these ends guided by these  
principles:

BELIEF IN GOD

LOYALTY TO KING AND  
COUNTRY

UPHOLDING THE  
CONSTITUTION

RULE OF LAW

GOOD BEHAVIOUR AND  
MORALITY

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mid-term review  
ELEVENTH MALAYSIA PLAN  
2016-2020  
new priorities and emphases



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## FOREWORD

The euphoria that greeted our success in taking over the Government after the historic 14<sup>th</sup> General Election on 9 May 2018 came with a caveat – sweeping reforms and accountability must be the order of the day.

These expectations define the new Government and the people it governs which will, inevitably pave the way for new policies and institutional reforms. In essence, the political transition reflects the hopes of the *rakyat* for greater transparency, fiscal accountability and socioeconomic reform.

These reforms are needed if Malaysia hopes to recover, rebuild and re-emerge as a nation proud of its achievements and ability to compete at the highest level. Lest we forget, we were once dubbed an Asian Tiger and to re-emerge as one, we will have to re-align our focus and recalibrate our strategies.

As such, reforms includes improving governance, accelerating innovation, boosting productivity, moving industries up the value chain, enhancing the wellbeing of the *rakyat*, particularly the bottom 40% of the household income group (B40), and achieving inclusive growth.

Therefore, bold reforms that respond to the people’s mandate are imperative to achieve our vision to become a developed and inclusive nation.

**The Mid-Term Review of the Eleventh Malaysia Plan, with New Priorities and Emphases**, aims to reform existing policies and outline the revised socioeconomic targets for 2018-2020. The Mid-Term Review has taken into consideration the aspirations of the new Government, current economic challenges and global trends. Efforts will focus on stimulating economic growth, while ensuring greater benefits for all segments of the society.

In this regard, the principles of good governance, strong institutions as well as integrity and accountability will be reinforced throughout the administration of the new Government to prevent corruption, leakages, misappropriation and abuse of power.

The New Malaysia shall exude vigour, confidence and hope. With the mandate from the *rakyat*, the nation shall strive forward with pride, head held high, knowing what it had achieved in the past and the new heights it is going to scale in the future.

We shall then build a prosperous, harmonious and an inclusive nation.



**DR. MAHATHIR BIN MOHAMAD**  
Prime Minister of Malaysia  
Putrajaya  
18 October 2018

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## PREFACE


**The Mid-Term Review of the Eleventh Malaysia Plan, 2016-2020: New Priorities and Emphases** marks a momentous milestone in the nation's development path. The first part of the Mid-Term Review assesses the performance of the first two years of the Eleventh Malaysia Plan, 2016-2017, under the Barisan Nasional Government. More importantly, the second part of the review sets new priorities and emphases in building the nation to fulfil the hopes of the *rakyat* for the remaining Plan period of 2018-2020 under the new Pakatan Harapan Government. Premised on the principles of good governance, strong institutions and integrity, the priority areas and strategies in the Mid-Term Review reflect the aspirations of the new Government. These efforts affirm the goal of becoming a developed and inclusive nation as well as creating the path towards a better future.

The Government will balance economic growth objectives and fiscal consolidation initiatives to ensure continuous and inclusive development without impairing growth prospects. Thus, high-impact socioeconomic development projects will be continued to improve the wellbeing of the *rakyat*. In addition, the existing development gaps between states will be narrowed by giving greater emphasis to the less developed states, particularly Sabah, Sarawak, Kelantan, Terengganu, Kedah and Perlis, to ensure a more balanced regional growth. More measures will also be undertaken to raise the income and purchasing power of the *rakyat*, especially the bottom 40% of the household income group (B40).

Moving forward, we need to be vigilant about risks in the face of potential shocks and global economic uncertainties such as the build-up of financial vulnerabilities, trade protectionism and geopolitical tensions. These risks and challenges underline the importance of having flexible economic policies, strong public finance management and a sustainable fiscal position. Macroeconomic policies will need to be calibrated to be able to respond to economic shocks as well as to enhance economic resilience. Nonetheless, some temporary trade-offs on economic growth may be necessary in the short term in order to ensure a firmer foundation for a more sustainable and inclusive growth in the long term.

The Mid-Term Review outlines six pillars to support inclusive growth and sustainable development. The first pillar is to reform governance towards greater transparency and enhance efficiency of public services, followed by the second pillar to enhance inclusive development and the wellbeing of the *rakyat*. The third pillar aims to pursue balanced regional development, while the fourth pillar is to empower human capital. The fifth pillar focuses on enhancing environmental sustainability through green growth. The last pillar lays the foundation to strengthen economic growth across all sectors of the economy.

Let us, the Government, the private sector and the *rakyat* work together to ensure the successful implementation of these new priorities and emphases in the remaining Plan period. The new Government will assure that the fruits of development will be enjoyed by all. We shall continue to strive and serve with integrity to carry out the *amanah* entrusted to us to propel our beloved nation to greater heights.



**MOHAMED AZMIN ALI**  
Minister of Economic Affairs  
Putrajaya  
18 October 2018

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