



**社会经济研究中心**  
**SOCIO-ECONOMIC**  
**RESEARCH CENTRE**

**INSAP RMK-12 (2021-2025) Stakeholders  
Engagement Forum**

**Sustainability, Shared Prosperity,  
Competitiveness**

**Lee Heng Guie**  
**Executive Director**  
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# Post COVID-19 Scenario

Rethinking and Restrategising to Build Back Better



# Post COVID-19 – What Will the Future Look Like?



## GLOBAL ENVIRONMENT; GLOBAL MARKETPLACE

Nationalism, isolationism, protectionism, multilateral cooperation

Strong government's intervention to support domestic economy and industries

Harmonisation of trade and engagement rules on the use of digital technologies, data sharing, privacy standards, internet governance



## BUSINESS LANDSCAPE

Digital disruptors  
Digital acceleration

Market consolidate within industries – some thrive while others suffer

Highly competitive business landscape – small and large companies competing from within and outside reference industries

# Post COVID-19 – What Will the Future Look Like? (cont.)



## MARKET REGULATION

Business-friendly and predictable regulatory environment

Over-regulation may stifle innovation and risk taking

Industry convergence: finance and telcos & e-commerce; energy & automotive; digital disruptors



## INNOVATION AND DIGITAL TRENDS

Global and regional drivers of product and business innovation

Asia emerges as the main driver of global innovation  
New innovations scale up quickly across the global

Upscaling technology, skill set transformation (education, reskilling and upskilling and manpower planning)

# **The 12<sup>th</sup> Malaysia Plan (12<sup>th</sup> MP)**

**Shared Prosperity, Sustainability, and Competitiveness**



# The 12<sup>th</sup> MP – Focus Points



Thinking about **where we want our economy to be in 2025 and beyond?**



**All stakeholders have to take stock and reflect.** Looking beyond the fog of uncertainty and start to **reimagine a very different future**, and to think about **how we might best position ourselves competitively** for the new challenges and opportunities on the horizon.



**The 12<sup>th</sup> MP, which is based on the Shared Prosperity Vision 2030** will embrace that transformation, **setting out how we intend to respond in a fair, sustainable way, harnessing the opportunities the pace of decarbonisation and digitalisation** will bring and helping businesses and workers adapt.



The Government needs to undertake **BOLD AND DECISIVE** fiscal and economic **reforms** to strengthen our economic resilience and business prospects for the future.



**Address structural weaknesses and vulnerabilities: Still trapped in middle-income trajectory; limited fiscal firepower; low investment in ICT; slowing productivity growth; exports capacity; and shortage of skilled manpower.**



# The 12<sup>th</sup> MP – Focus Points (cont.)



## WHAT WILL FUNDAMENTALLY TRANSFORM THE MALAYSIAN ECONOMY?



**Redefining the role of Government, GLCs & GLICs. Reforming public sector delivery services** to become an effective facilitator. **GLCs** should focus on **building strong institutions, spearheading new growth areas** to open up for private sector as well as **developing areas based on policy needs**



**Reviving economy and ensuring sustainability, digitalisation, education and skilled human capital development** to prepare our workers to have skill set to excel in the jobs of the future will be central



**Income inequality and regional economic development gaps**



**Competitiveness, innovation and environmental sustainability** ensuring our businesses and industries are able to compete in an increasingly complexity global marketplace

# The 12<sup>th</sup> MP: Five Strategic Thrusts



**FIRST: FISCAL STABILITY AND GROWTH STABILISATION PACT**



**SECOND: UNLOCKING NEW SOURCES OF GROWTH**



**THIRD: REINFORCE COMPETITIVENESS AND PRODUCTIVITY NEXUS**



**FOURTH: SMART AND DIGITAL TECHNOLOGY-DRIVEN INVESTMENT**



**FIFTH: EDUCATION AND UPSKILLING WORKFORCE FOR THE FUTURE**



# The 12<sup>th</sup> MP – 12 Priorities



## Equity in Development

Three areas of priorities: Equal life chances; Equal concern for people's needs; Meritocracy



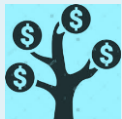
## Fiscal Reforms to Build Sustainable Fiscal Buffer

Broaden tax base; plugging shadow economy; rationalisation and rightsizing of public sector; public pension system reform



## Caring for the Vulnerable

Strengthening social safety net to protect incomes of low-and middle-income households; consolidation of social safety net – targeted based on needs and income; underserved society



## Revitalise Private Investment, especially DDI

Good investment climate and a predictable regulatory environment 3Cs (Clarity, Consistency, Continuity)

Regulatory reforms at the Federal, state and local authorities



## Securing Green Growth

Business-as-usual investment will not lead to a stable future unless it achieves environmental and sustainability goals

Re-evaluating investment priorities; shifting incentives; investment-grades policies



## Productivity Unplugged

Boosting productivity will be a critical part of our long-term structural reform

Remove entry barriers and market liberalisation to foster a healthy competition

# The 12<sup>th</sup> MP – 12 Priorities (cont.)



## E-commerce and Digitalisation

Create investment-friendly tax, legal and regulatory environments for digital services



## Technology Adoption

Enhancing Science, Technology and Innovation (STI) support to SMEs

Reforming R&D – balance between fundamental and applied research



## Uplifting SMEs' Capacity and Participation in GVCs

Facilitate and incentivise domestic SMEs to participate in global value chains

Promoting industrial value-added creation and upgrading; and Strengthening domestic firms' absorptive capacity



## Education and Manpower Planning

Education policies must be aimed at strengthening the knowledge and technological capability for innovation

Encourage more students to enrol in science, technology, engineering and mathematics (STEM)



## Holistic Foreign Workers Management

A holistic approach to FWs management

A single agency to manage FWs

Plough back FWs levy into an Industrial Adjustment Fund to support automation and innovation



## ESG – Sustainable Products

The concept of sustainability must be incorporated in Malaysia's industrial development policies and integrated into the planning and management system of business enterprises



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**谢谢**  
**THANK YOU**

**Address** : 6<sup>th</sup> Floor, Wisma Chinese Chamber,  
258, Jalan Ampang, 50450 Kuala Lumpur, Malaysia.  
**Tel** : 603 - 4260 3116 / 3119  
**Fax** : 603 - 4260 3118  
**Email** : [serc@accimserc.com](mailto:serc@accimserc.com)  
**Website** : <http://www.accimserc.com>