

# Malaysia independence day

## Making the economy world-class

Government plans help nation take steps to transform from developing to developed

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AMBASSADOR OF MALAYSIA

Aug. 31 marks the 54th anniversary of the independence of Malaysia. On this auspicious occasion, I have the great honor to convey my heartfelt greetings to Their Imperial Majesties Emperor Akihito and Empress Michiko, the Imperial Family, the government and the friendly people of Japan. I would also like to extend my warm greetings to all Malaysians, friends of Malaysia and readers of The Japan Times.

I also wish to take this opportunity to extend on behalf of the government and people of Malaysia our heartfelt and deepest condolences to the government and people of Japan, particularly to all those who have lost their loved ones and their livelihoods. Our thoughts and prayers are with the people and government of Japan as the country overcomes the devastating effects of the triple dis-

asters. I further wish to take this opportunity to reiterate the support of the government and people of Malaysia for the ongoing efforts toward the reconstruction of the areas devastated by the earthquake and tsunami.

On this day, Malaysians everywhere celebrate Hari Merdeka to commemorate the independence of the then Malaya exactly 54 years ago. This Hari Merdeka should serve as a day for Malaysians to reflect upon the nation's past achievements and renew our collective sense of purpose required to meet the challenges that lie ahead.

Since independence more than five decades ago, as a nation characterized by diversity, Malaysia has achieved remarkable success after success. Malaysia can be proud because we have demonstrated that, with the right leadership and environment, we have prevailed in the face of many challenges, overcome many barriers and achieved success. As a result, from a low-income agrarian nation dependent on rubber and tin, Malaysia has emerged as a modern, industrial, high mid-



Prime Minister Mohd Najib bin Tun Haji Abdul Razak of Malaysia

dle-income nation with strong economic fundamentals.

All these achievements did not happen by chance nor without proper planning and diligent efforts. Instead, it was a result of visionary government leadership, coupled with the unwavering public support from all Malaysians since independence. In this respect, we are greatly indebted to the past leadership and previous generations because their great efforts and sacrifices provided us with a strong foundation, from which we can build on. This developmental journey has spanned from the five former prime ministers, starting from Tunku Abdul Rahman Putra, Tun Abdul Razak Dato' Hussein, Tun Hussein Dato' Onn, Tun Dr. Mahathir Mohd and Tun Abdullah Ahmad Badawi, to the current Prime Minister Dato' Sri Mohamed Najib bin Tun Haji Abdul Razak.

Under the leadership of Prime Minister Najib, several initiatives have been introduced by the government aimed at transforming Malaysia into a high-income economy as part of the road map to attain devel-

oped nation status by 2020. The New Economic Model (NEM) that was launched on March 30, 2010, is the framework to bring Malaysia into the realm of a high-income economy from its present middle-income status by increasing its per capita income to \$15,000 by 2020 from the current \$7,000, as well as maintaining a growth target of 6 percent. In complementing the NEM, the prime minister has also launched the Government Transformation Program (GTP), which among other things focuses on streamlining and adapting government procedures with a view to enhancing the overall business climate in Malaysia and elevating transparency. Moreover, the Parliament has also approved, on June 10, 2010, the 10th Malaysia Plan (10MP), which underscores the country's 2011-2015 five-year plan in complementing the NEM and focuses on improving key areas such as education, health care, labor and public infrastructure.

The 10MP has been formulated with various new approaches toward Malaysia becoming a high-income and high-productivity economy, in line with the objective and goal of the NEM. During the 10MP, the gross national income per capita is targeted to increase to \$12,140 in 2015. This requires achieving real gross domestic product (GDP) growth of 6 percent per annum. Growth will be led by the services and manufacturing sectors, in addition to revitalizing the agriculture sector toward higher value-added as well as the adoption of ICT, biotechnology and other relevant technologies. A key challenge of the 10MP is to stimulate private sector investments to grow at 12.8 percent per annum or approximately \$38 billion per annum. At the same time, the

government is committed to reducing the fiscal deficit from 5.3 percent of GDP in 2010 to less than 3 percent in 2015.

Building upon the policy directions, strategies and programs of the 10MP, the government of Malaysia has launched, on Oct. 25, 2010, the Economic Transformation Program (ETP) road map. Successful implementation of the ETP will see Malaysia's economy undergo significant changes to resemble other developed nations. Malaysia will continue its shift toward a service-based economy, with the services sector contribution growing from 58 percent to 65 percent in the same period. More than 3.3 million new jobs will be created by 2020, spread across the country in urban and rural areas. The nature of these new jobs will result in a shift toward middle- and high-income salary brackets. Greater Kuala Lumpur/Klang Valley will be transformed into a world-class city. Growth will also be achieved in a sustainable manner, without cost to future generations, through initiatives such as building alternative energy generation capacity and conserving our environment to promote ecotourism.

The ETP presents a departure from norms because it is focused on actions — not on theoretical principles and ideas. A total of 131 Entry Point Projects (EPPs) that concretely outline actions required to grow the economy have been identified in this regard. The EPPs and other business opportunities identified are anchored to how much they contribute to the gross national income (GNI) whereby any public spending will be allocated on the basis of maximizing GNI per dollar of public expenditure. All the 131 EPPs are expected to bring in the much-needed \$523 billion



Leading city: The capital Kuala Lumpur is the cultural, financial and economic center of Malaysia. TOURISM MALAYSIA

worth of investments to realize the goal set by the government in turning Malaysia into a high-income nation by 2020. To date, the ETP has reached a new milestone with 50 percent or 65 of its 131 EPPs taking off, represented by 87 initiatives. There are 15 initiatives within seven National Key Economic Areas (NKEAs), which account for about \$20.9 billion in investment, \$21.89 billion in GNI and 63,531 new jobs. On a cumulative basis, the ETP has so far recorded \$56.04 billion in investment, \$72.67 billion in GNI and 362,396 new jobs.

As for the ties with Japan, Malaysia and Japan are like two old friends that have endured a relationship predicated upon a common and mutual worldview. Malaysia-Japan ties are not a relationship of fair weather friends, it is one that has withstood the test of time over the years as both nations work on the possibilities rather than being fixated by the past. The strong ties between Malaysia and Japan could be evidence, including from the relationship at the leaders' level, which continues to be excellent as manifested from the regular exchange of visits at the ministerial and senior officials' level, including the recent visit of Prime Minister Najib to Tokyo on May 25 and 26 to deliver a keynote address at Nikkei's 17th International Conference on

The Future of Asia. This active exchange has forged a close working relationship between the two governments.

Our multifaceted relationship is also manifested vibrantly in trade and investment, education and human resource development, capacity building, science and technology, cultural exchanges as well as tourism. Bilateral trade between Malaysia and Japan for the past five years has recorded continued growth, with the exception in 2009 due to global economic and financial situation. Exports especially have been trending upward since the implementation of the Malaysia-Japan Economic Partnership Agreement (MJEPA) in 2006. For 2010, overall trade with Japan amounted to \$43.13 billion, which is a 39.58 percent increase over that of the previous year. This comprised exports to Japan valued at \$21.52 billion and imports from Japan worth \$21.61 billion, making Japan the fourth largest trading partner of Malaysia for the year 2010. As regards investment, Japan was the second largest source of foreign investments in 2010, with approved investments of \$1.29 billion in 61 projects. Tourist arrivals from Japan in 2010 also continued its upward trend with 415,881 arrivals, an increase of 5.1 percent from the previous year.

Malaysia has long been inspired by Japan's past struggle for success. We are impressed by Japan's resilience and determination, rising from the ashes of World War II to become one of the most powerful global economies. We also admired the calmness, courage and perseverance of the Japanese people in dealing with the triple disasters and their patience and strong determination in the ongoing efforts toward the rebuilding and reconstruction efforts of the affected region.

Japan's success, which is

based upon single-minded dedication, an impeccable work ethic, discipline, high morale and management capability, inspired Malaysia's Look East Policy formulated in the early 1980s. Japan can continue to play a pivotal role in helping Malaysia's transformation from an industrial economy to an innovation economy, much like its help in Malaysia's first transformation from an agricultural to an industrial economy. Malaysia shares the belief that it is now perhaps timely to revisit the Look East Policy by introducing new and innovative fields or areas where Japan can share her expertise. Japan's cutting edge technology in the fields of environment and green technology comes to mind, fitting well into this new framework of cooperation.

As Malaysia celebrates 54 years of independence, Malaysians everywhere should feel proud that their country has achieved tremendous economic and social progress in an environment of peace, prosperity and inter-racial and inter-religious harmony, at a time when instances to the contrary all over the world are not difficult to notice. Around the world, Malaysians come together on Hari Merdeka to remember what makes us unique. Despite our differences and diverse backgrounds, no matter how far away from home we may find ourselves, the pride and unity that come with being Malaysian on this day overpowers all that may divide us.

Finally, I wish to extend my gratitude and appreciation to The Japan Times for giving me the opportunity to address its esteemed readers, who have contributed to the promotion of the ties of friendship and cooperation between Malaysia and Japan. I would also like to express my thanks to the sponsors for their generous contributions.



Natural beauty: Off the coast of Sabah on northern Borneo lies a number of islands and coral reefs. TOURISM MALAYSIA

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