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From Data to Knowledge : The Journey

TOWARDS TN50: IMPORTANCE OF DATA

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Developing TN50 strategy: Combining bottom up & top down

**Malaysia
Today**
Successful Upper
Middle Income
Nation



TN50 Strategy:

- Shape trends for Malaysia
- Integrated strategies across themes & sectors
- Pivot existing strengths & refocus resources to new growth opportunities

TOP DOWN
GUIDANCE

Opportunities
from
Megatrends



BOTTOM UP
ENGAGEMENT

Aspirations &
Ideas from
Rakyat

**Malaysia
2050**
Top 20 nation
&
Global leader



*Malaysia's success today contributed by **long term developmental planning**.
TN50 represents continuity to Malaysia's tradition of long term plans & vision.*

Developing TN50 strategy:

To chart our journey towards 2050, we need to:

- **Take stock** our achievements & where we are today,
- **Translate our aspirations** for the future into goals &
- **Strategise** based on emerging global megatrends

Each of these steps, needs to be **anchored on data**

Past Goals, Achievements Today & Remaining Challenges

Goals of Past Plans

New Economic Policy

National unity through:

- **Eradication of poverty** irrespective of race &
- **Restructuring of society:** Eliminate identification of race with economic function

Vision 2020

Developed nation in our own mould, achieving :

- **High income economy** &
- **9 Strategic Challenges**

Achievements Today

Absolute Poverty eliminated

Poverty Rate in Malaysia:

1970: 49.3% to 2016: 0.4%

Reduced income inequality

Gini coefficient on income:

1970: 0.513 to 2016: 0.399

Inter-racial differences reduced

Chinese:Malay per capita income ratio

1970: 2.29 ; 2005: 1.64 ; 2016: 1.36

Bumi equity 1970: 2% to 2010: 23%

Malaysia globally competitive

Top 25 ranking in WEF Competitiveness & World Bank Doing Business rankings

Upper Middle Income nation

Strong progress towards high income

2014: only 16.5% gap to GNI threshold

(subsequently RM weakened to widen gap)

Remaining Challenges

Relative Poverty

RMKe-11 shift focus to B40 households,

B40 share of income only up from

1970: 11.5% to 2016: 16.4%

Wealth inequality remains high

Gini on EPF savings 0.658; ASB 0.836

CoE as %GDP improved to 2016: 35.3%

But below peers: Spore 43%,Korea 45%

Intra racial inequality higher than inter.

Towards 'equality of opportunity', for

affirmative action be more needs based

Social wellbeing has lagged economic

On Msia wellbeing index (2000: 100),

- 2015 Economic Wellbeing : 132

- 2015 Social Wellbeing : 118

9 challenges remain relevant for future

particularly, Bangsa Malaysia & society

that is **moral, tolerant, caring & just**

TN50 bottom up engagement & Rakyat's aspirations for future

Bottom-up approach to TN50 Engagement as no longer does Government know best



- More than **1.8 million Malaysians** engaged of different segments to society
- More than 80,000 aspirations collated
- Engagement channels include dialogue, townhalls, surveys & social media
- Engagements led by YAB PM, YAB DPM, Ministers, KSN & various public & private sector leaders

Key emerging themes from rakyat aspirations

Quality of Life



- At an individual or family level, Malaysians aspire to live a comfortable lifestyle
- Key ingredients include income to afford lifestyle, job security, crime free, affordable housing, health & quality education

Sustainable & Just



- At a society level, Malaysians aspire for a sustainable & inclusive society
- Malaysians especially youth, value a 'green' future, preserving our environment
- Many aspire for inclusiveness of opportunities & balanced development e.g. Urban vs Rural

Malaysian Identity



- At a country level, Malaysians take pride in the nation succeeding at a global level
- However, articulated that this should not be at the expense of our values & identity
- All aspire for unity, in celebration of diversity

Challenge to translate rakyat's aspirations to targets

TN50 public policy to take into account megatrends

Megatrends are rapidly changing the world we live in.....

Urbanisation



- 80% urbanisation of world by 2030
- Cities will be densely populated & rise of more mega cities (> 10 million population)
- Urbanisation & industrialisation linked, future global competition more intense between cities than between nations

Ageing Society



- Population of over 60 years and above will exceed the youth globally
- Fertility rates declining globally
- Leading economies like China, Japan, Germany projected for labor force to shrink between 15-30% between 2010 - 2050

Digitalisation



- Rapid deployment of new technology (time for adoption by 50m users: telephone 75 years, TV 13 years, Facebook only 1 year)
- Jobs of the future & AI may lead to loss of employment if people are not equipped with the necessary skills (study estimated 47% of US jobs automatable in 20 years)

Implications for Malaysia & strategies going forward.....

- Malaysia follows **urbanisation trend**: 1970:26.8%; 2016: 75%; 2050: 90% ?
- Rebalancing of rural vs. urban resources ?
- Need to invest in **urban infrastructure** (e.g. transportation, internet, utilities) to ensure Malaysia's cities globally competitive (World Bank's agglomeration & 3-D framework)
- While Malaysia's population grows (2017:32m to 2050:42m), those **65 & older will rise** from 5% to >15% with implications on healthcare, social safety net, retirement savings, etc.
- Past strong economic growth fueled by Malaysia's 'population dividend'. Slower labour force growth requires greater focus on **productivity led economic growth**
- Critical for Malaysia to embrace **digital revolution** to remain globally competitive
- Transformation of education critical, including ability to **re-skill workers into new jobs**

Megatrends are rapidly changing the world we live in.....

Resource Scarcity



- Overpopulation will lead to greater focus on energy, food and water security
- Sustainability increasingly essential focus for consumer demand, waste management

Geopolitical Shift



- Rapid growth of the emerging market creates a new world order by 2050
- Asian economies will form 50% of the world's GDP in 2050

Societal Change



- Rise in extremism & terrorism
- Tensions between globalisation with tendencies towards nationalist protectionism
- Economic empowerment and diversity in the workforce

Implications for Malaysia & strategies going forward.....

- Meeting Malaysia's carbon emission reduction commitments
- **Embracing recycling** – particularly food & waste management ?
- Need for sustainability & security to require **change in energy mix** from coal to gas ?
- Safeguarding Malaysia's water sources & forest cover ?
- To continue to **leverage on Malaysia's geopolitical linkages with Asia**, particularly China, India, ASEAN and Middle East for trade & investment
- Position Malaysia as **regional services hub?** Requiring emphasis on multi language skills
- **Transforming national security** to be able to meet threats from terror groups & extremists
- Against protectionism, need stronger regional integration & strengthen economic security
- Continue **leverage on diversity** of workforce by race, gender, age & differently abled

Conclusion: TN50 & Data

- YAB Prime Minister has articulated TN50 ambition to emerge Top 20 nation
- Towards Malaysia's ambitions for 2050, we want measurable goals & milestones
- Developing the TN50 strategy will need to be **anchored on data** – particularly in assessing what we have achieved, quantifying our targets & strategising for Malaysia based on our domestic strengths & global developments