

## SDG WEBINAR

**“Building Back Better: Eradicating Poverty and Promoting Inclusive Growth in Response of COVID-19 Impact”**

# **Government’s Commitment in Eradicating Poverty and Promoting Inclusive Growth**

**17 June 2021 | Thursday**

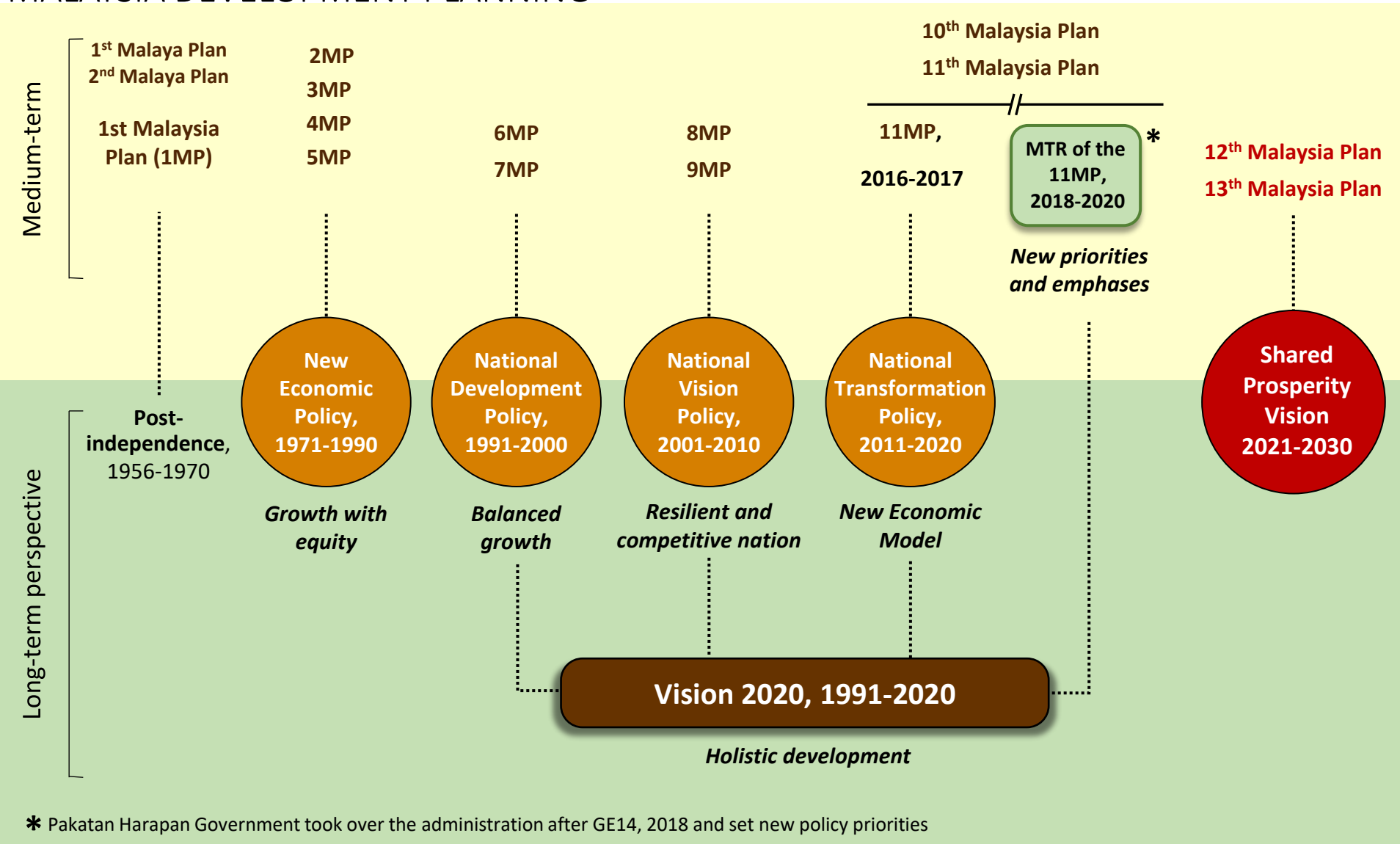
*Presented by:*

**ABDUL HALIM BIN ABDUL AZIZ**  
*Deputy Director General (Policy)*  
*Economic Planning Unit*  
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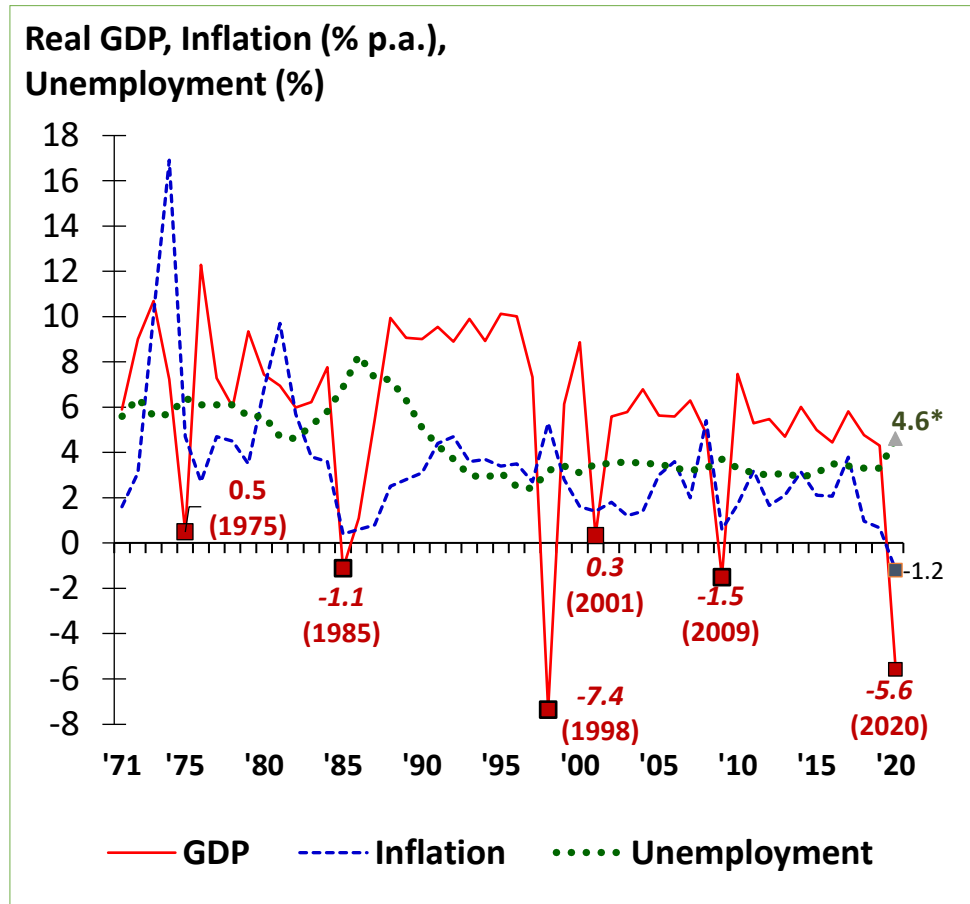
Economic Planning Unit  
Prime Minister’s  
Department

# MALAYSIA DEVELOPMENT PLANNING



- Poverty eradication is one of the main agenda for each Malaysia Development Plan.
- Malaysia's socio-economic development has been centered on the "growth with equity" and inclusivity principle.
- Midterm Review of 11th Plan continued the agenda to eradicate poverty.
- At the national level, *SDG Goal 1: End Poverty, Goal 2: Zero Hunger, Goal 10: Reduce Inequalities* were pursued under the Mid-Term Review of the Eleventh Malaysia Plan (MTR) and Shared Prosperity Vision 2030 (WKB 2030).

# A re-visit : Malaysia recorded rapid economic growth since the 1970s...



- ✓ **Malaysia, 1971-2020**
  - Malaysia recorded **5.8%** in spite of facing 6 economic downturns since 1970
  - Malaysia has been able to rebound quickly after each crisis due to its economic resilience

**GDP, 1971-2019** (% p.a.)

- World: 3.1
- Advance: 2.6
- Developing: 3.3
- Emerging market: 4.7

Source : IHS

Notes : \* EPU estimates

% p.a.	2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>GDP</b>	4.5	4.8	4.4	3.6	0.7	-17.1	-2.6	-3.4
	<b>4.3</b>				<b>-5.6</b>			

\* Source: Malaysia Economic Monitor (June 2020), World Bank

**At the macro level, economic fundamentals remained intact ...**

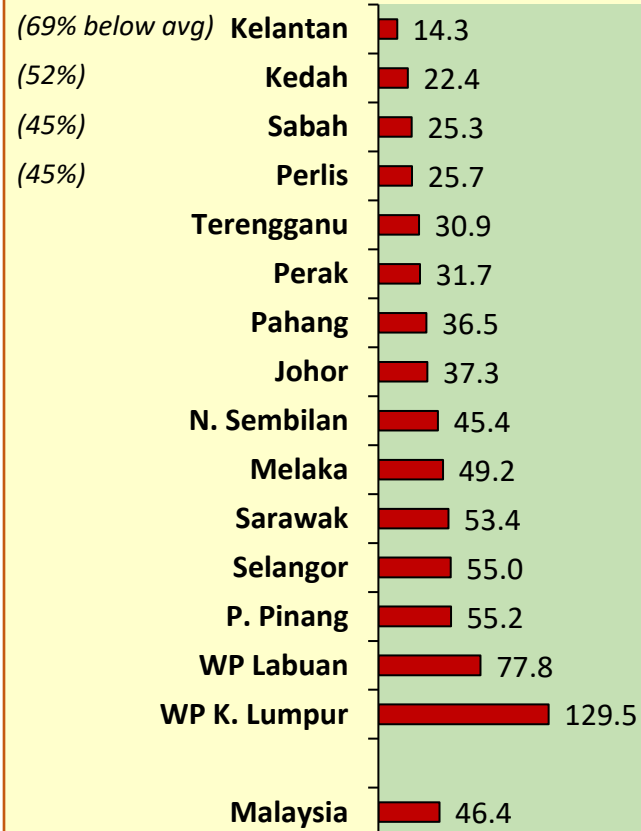
- ✓ GDP growth for 1971-2019 was among the highest in the world
- ✓ Low and stable inflation rate, full employment since 1992
- ✓ Still one of the top destinations for FDI
- ✓ Considered as a competitive nation : 27<sup>th</sup> ranking out of 141 nations in the Global Competitiveness Report 2019 by the World Economic Forum

# Selected Issues and Challenges

Although growth was rapid, it was less meaningful as it was ...

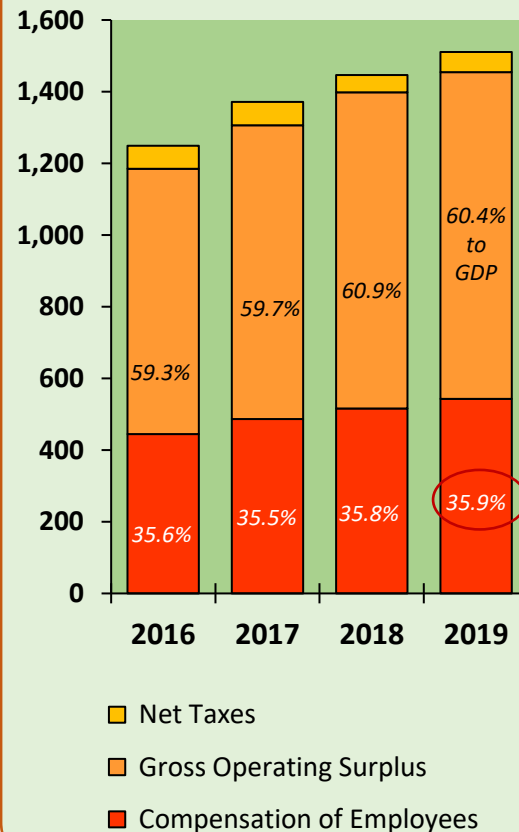
... uneven across the country ...

**GDP per capita, 2019 (RM '000)**



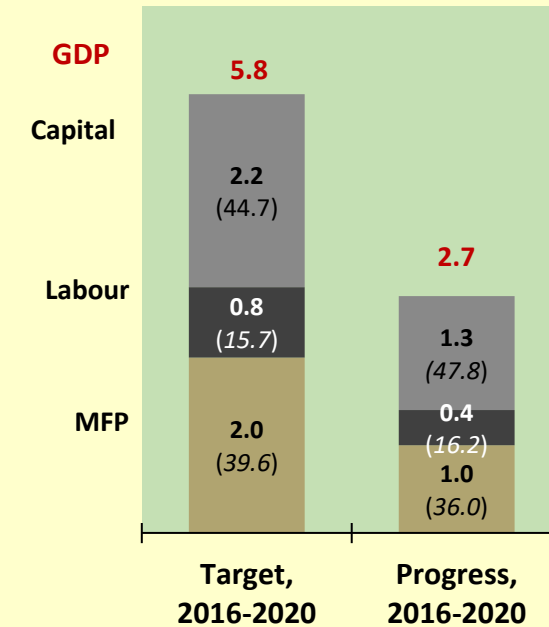
... unfairly divided ...

**GDP by Income (RM bn)**



... and less productive

**GDP Growth by Source (% p.a.)**  
Share to growth in brackets, %



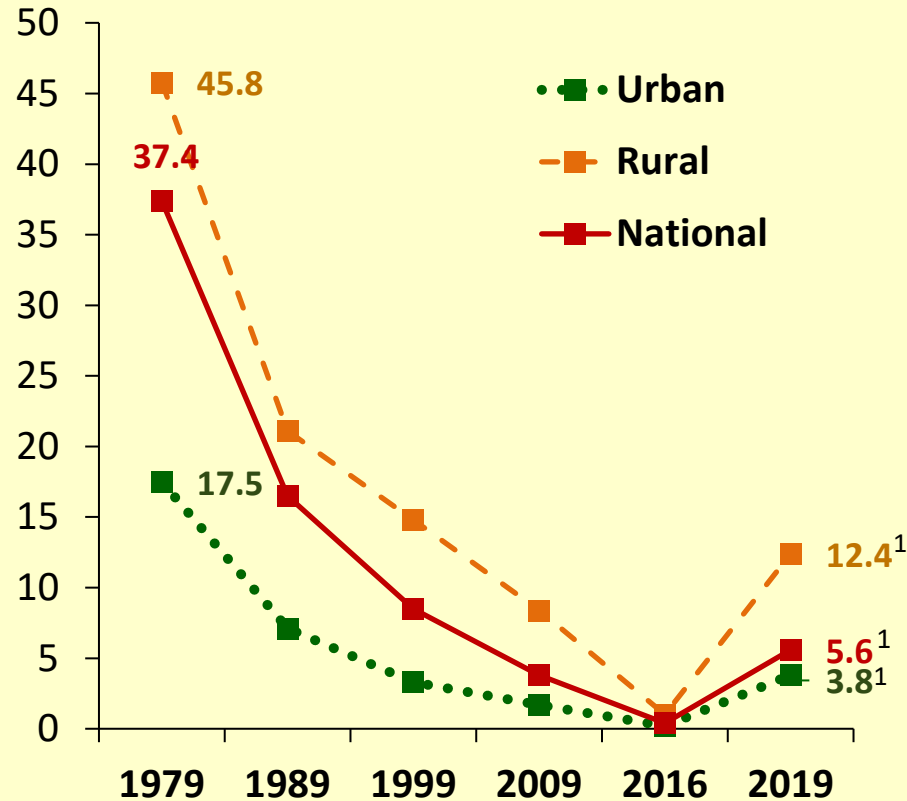
**MFP** = Multi-Factor Productivity is the overall efficiency with which labour and capital inputs are used together in the production process

# Selected Issues and Challenges

Although poverty has been reduced significantly, it still need to be addressed

## Tremendous achievement in poverty eradication but...

% of Households



Notes: For 2019

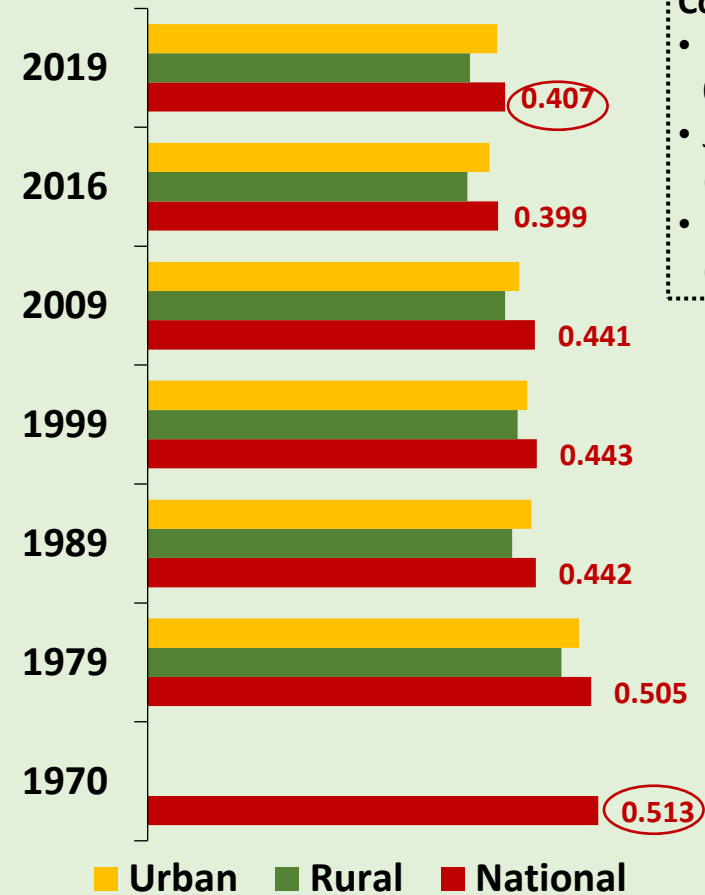
- National poverty line income = RM2208/USD533

- Number of poor households ≈ 405,400

<sup>1</sup> Revise PLI 2019 Methodology

## Income inequalities has declined but...

Gini Coefficient



### Comparison

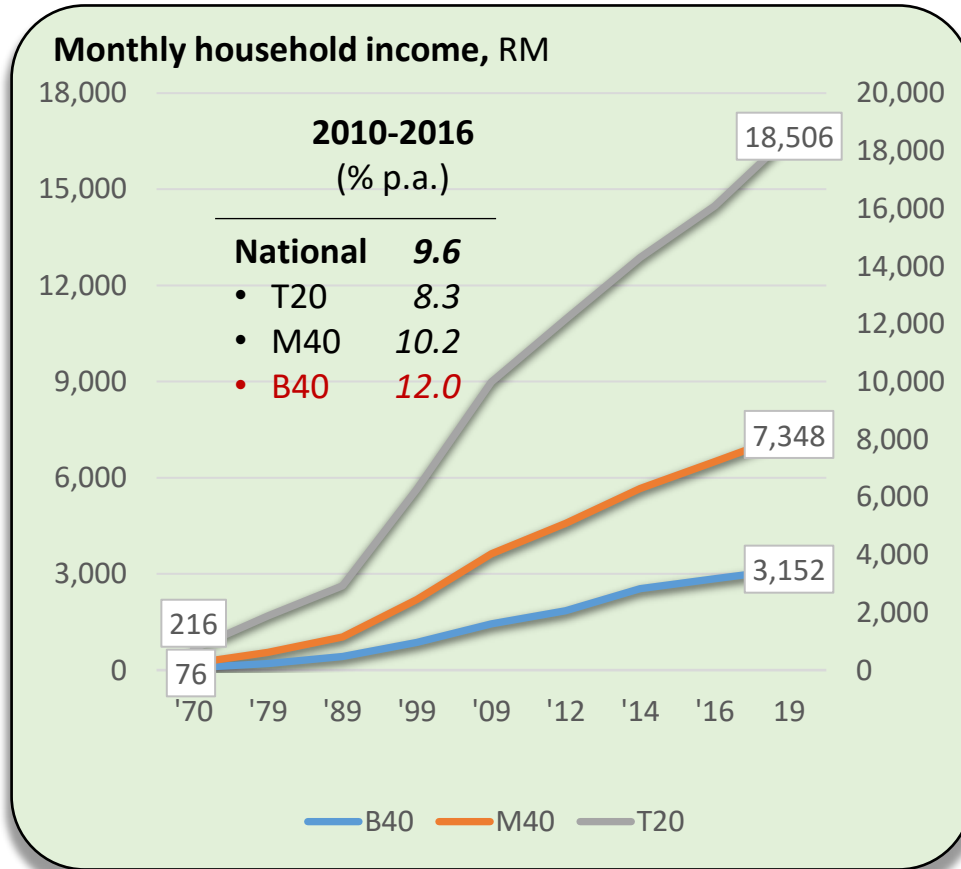
- Norway = 0.27 (2017)
- Japan = 0.33 (2013)
- USA = 0.41 (2016)

Source: Economic Planning Unit & the World Bank.

# Selected Issues and Challenges

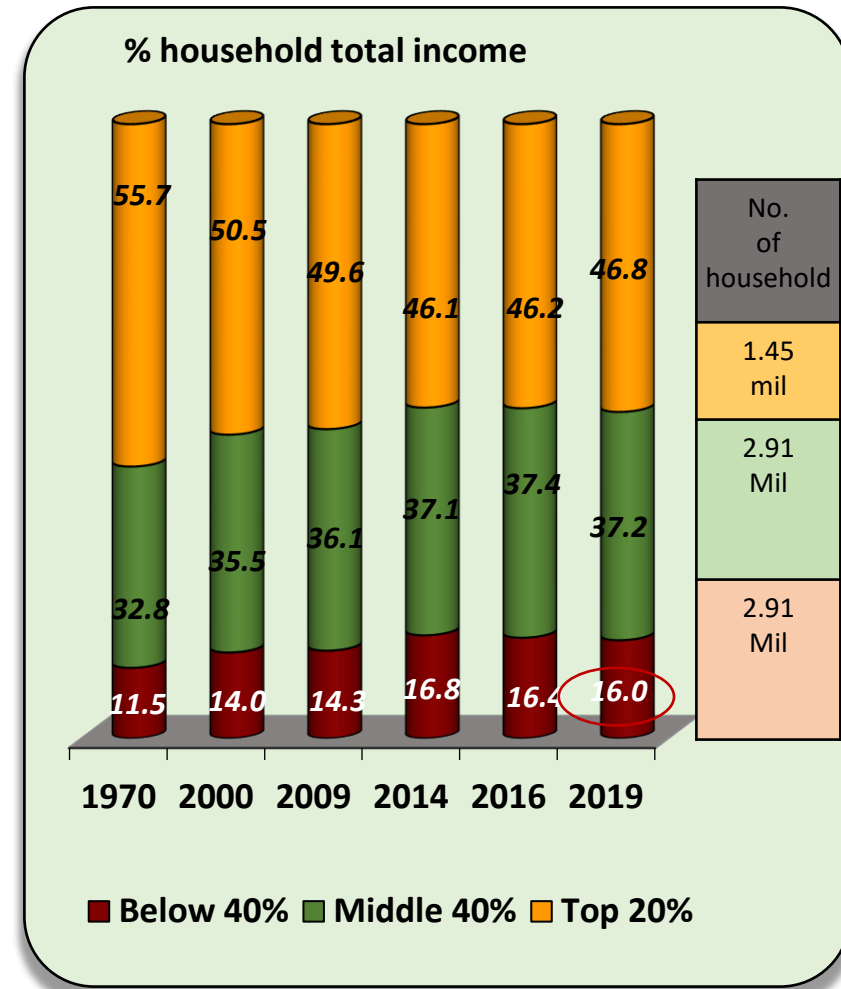
Benefits of development are not being felt due to inequitable wealth distribution

Although the average monthly income of households has increased ...



Ratio T20/B40	1970	1979	1989	1999	2009	2012	2014	2016	2019
	9.7	9.3	6.9	7.2	6.9	6.6	5.6	5.6	

... but the B40 income share does not change much



# MAPPING STRATEGIC THRUSTS TO SDGs



## 11MP Strategic Thrusts



Enhancing **inclusiveness** towards an equitable society



Improving **wellbeing** for all



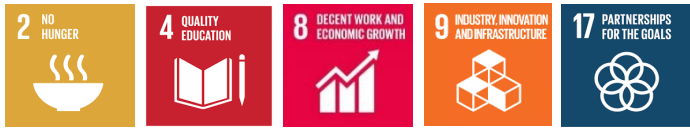
Accelerating **human capital development** for an advanced nation



Pursuing **green growth** for sustainability and resilience



Strengthening **infrastructure** to support economic expansion



Re-engineering **economic growth** for greater prosperity



Transforming **public service** for productivity



# MTR 11MP:Pillar II: Enhancing Inclusive Development and Wellbeing





# THE 6R COMPREHENSIVE ECONOMIC RECOVERY PLAN 2021

A year after the introduction of the Movement Control Order to contain the spread of the COVID-19 pandemic, Malaysia continues its path towards economic recovery



**Resolve**



**Resilient**

**Prihatin**  
RM 250 bilion

**PrihatinPKS+**  
RM 10 bilion



**Restart**



**Recovery**

**penjana**  
Pelan Jana Semula Ekonomi Negara  
RM 35 bilion

**KitaPrihatin**  
Kerangka Kerja Pemulihan, Pemangkin Ekonomi, Program Rangsang  
RM 10 bilion



**Revitalise**

**BELANJAWAN 2021+pe mai**  
RM 322.5 bilion



**PEMERKASA**  
Program Strategik Memperkasa Rakyat dan Ekonomi  
RM 20 bilion

**PEMERKASA+**  
Program Strategik Memperkasa Rakyat dan Ekonomi Tambahan  
RM 40 bilion

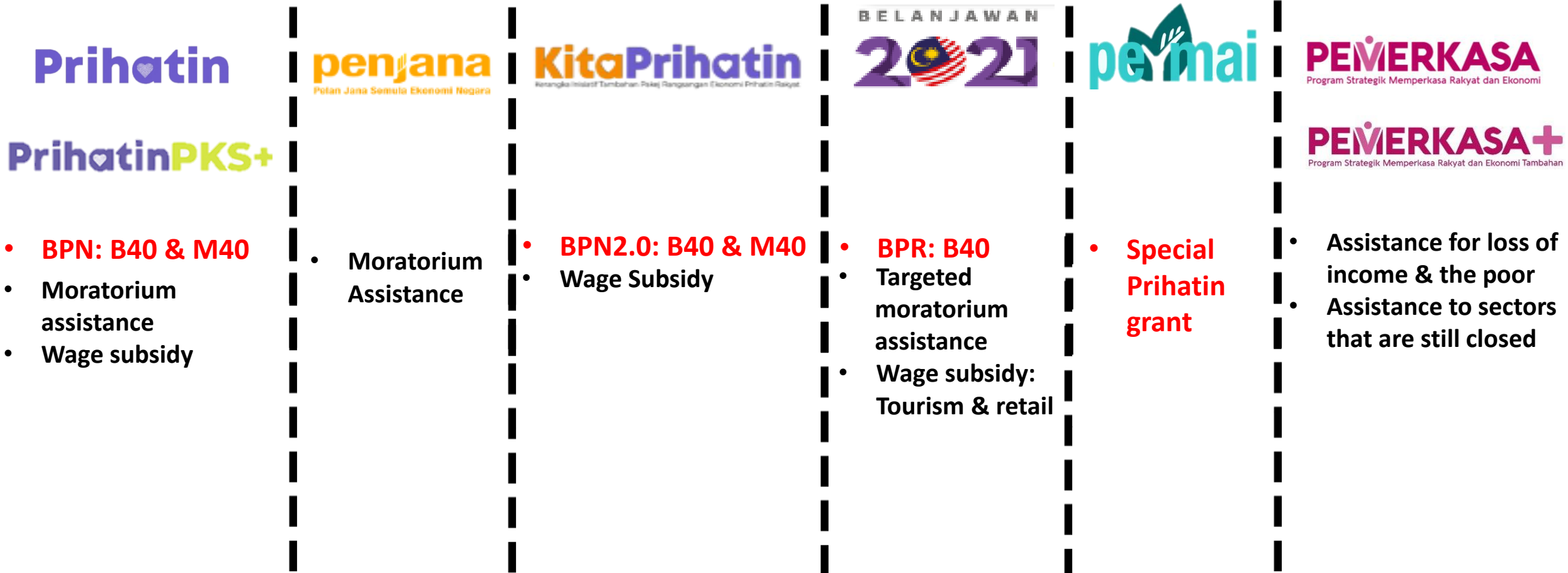
TWELFTH MALAYSIA PLAN 2021-2025






**Reform**



The Government has implemented several key programmes to assist the poor and the vulnerable due to impact of COVID-19 pandemic and various Movement Control Order. The targeted assistances not only focusing on the poor but also include vulnerable M40 in ensuring no one left behind.



# National Recovery Plan

	JUNE	JULY & AUGUST	SEPT & OCT	NOV & DEC		
<b>Phase</b>	<b>PHASE 1 EXTENDED</b> (2 <sup>ND</sup> HALF JUNE) <ul style="list-style-type: none"> <li>Total MCO, only Essentials Services allowed</li> </ul>	<b>PHASE 2</b> <ul style="list-style-type: none"> <li>Expansion of positive list, social sector remain closed</li> </ul>	<b>PHASE 3</b> <ul style="list-style-type: none"> <li>Negative list approach, social sector will be opened</li> </ul>	<b>PHASE 4</b> <ul style="list-style-type: none"> <li>Full opening including social sector</li> </ul>		
<b>Condition</b>	 <b>To enter Phase 2</b>		 <b>To enter Phase 3</b>		 <b>To enter Phase 4</b>	
<b>Average Daily COVID-19</b>	<4,000 cases		<2,000 cases		<500 cases	
<b>Bed in ICU Usage</b>	Moderate		Comfortable		Safe/secure	
<b>Vaccination Rate</b>	10%		40%		60%	

# PROPOSED POLICY DIRECTIONS/OPTIONS



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## Addressing Poverty from Multidimensional Perspectives in Ensuring 'No One Left Behind'

### *Improving Access to Education*

- Life Long learning approach



### *Intensifying Healthcare Services*

- Improving health outreach

### *Uplifting Standard of Living of the Poor*

- Improving the condition of the house

### *Increasing Income for the Poor*

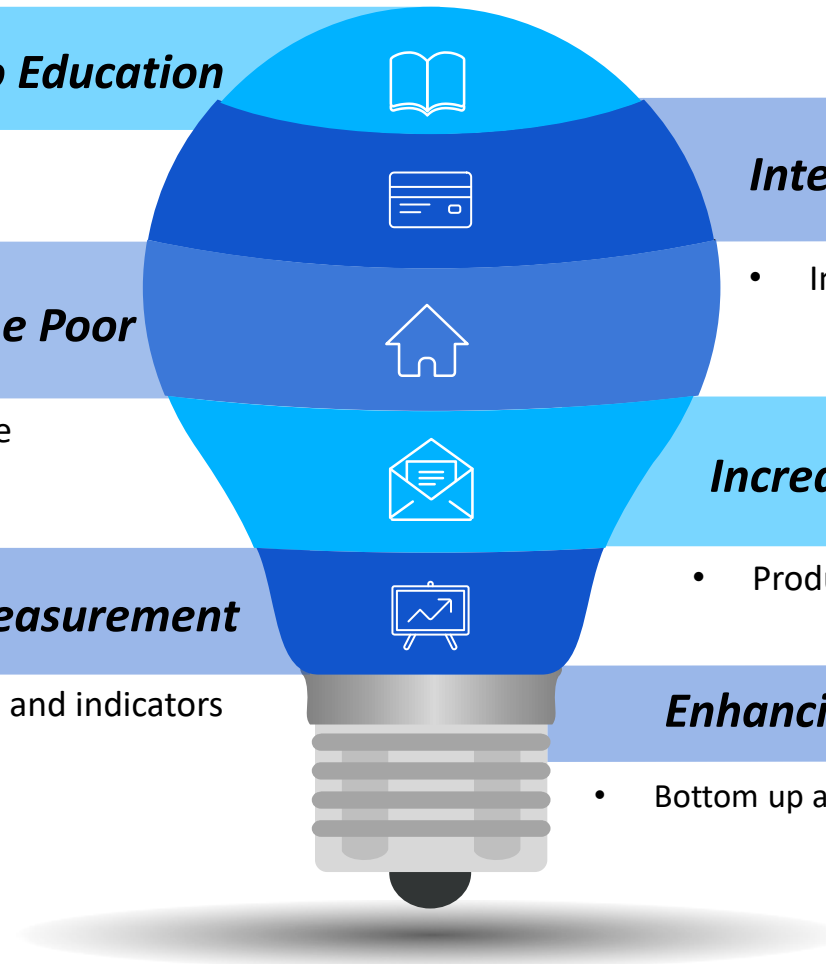
- Productive welfare and social assistance

### *Improving Poverty Measurement*

- Reviewing MPI dimensions and indicators

### *Enhancing Delivery Mechanism*

- Bottom up approach



# THANK YOU



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