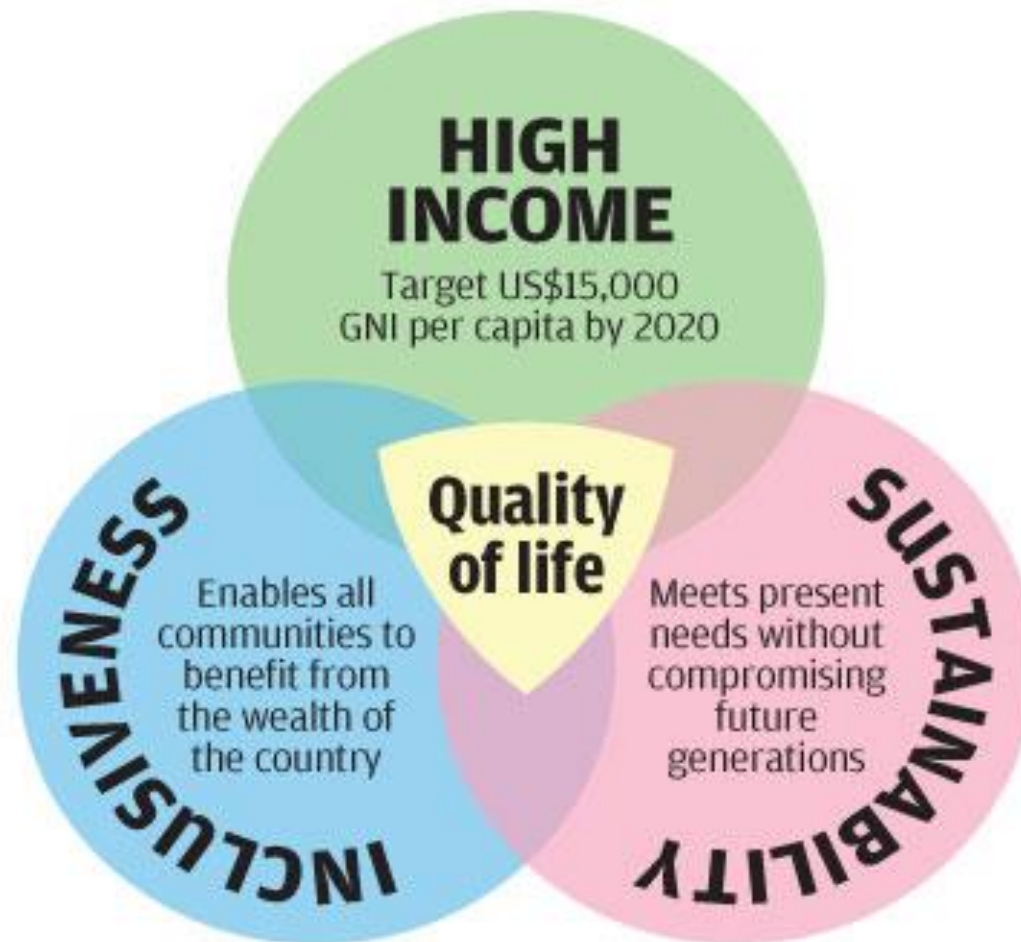
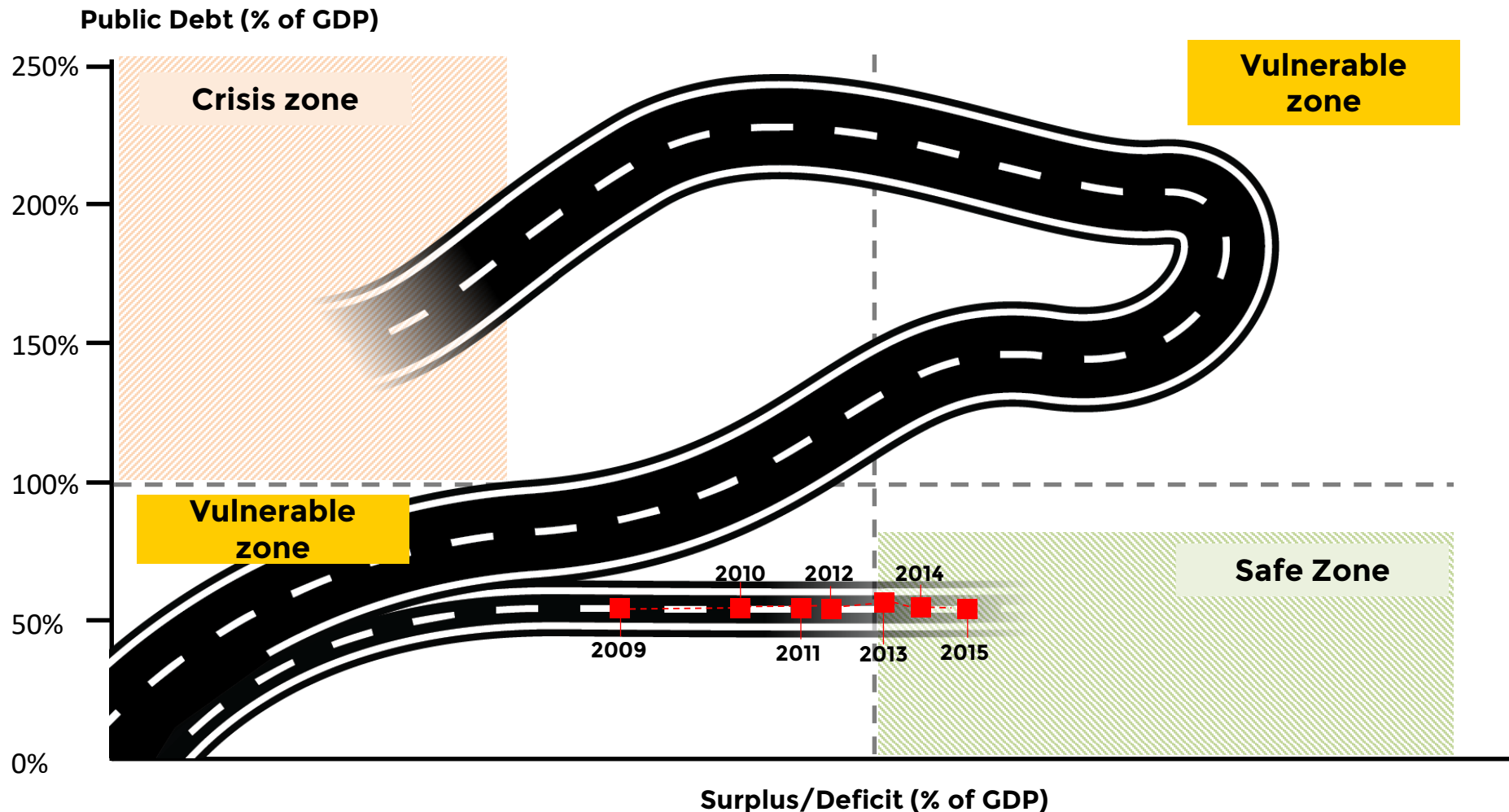


Optimising Economic Transformation in the Tourism Industry

We are transforming Malaysia to become..



The road most travelled led many countries into mounting Government debt and unsustainable fiscal deficit



Note: All figures are as of 2015 est. // Countries markers are masked and coded for confidentiality

Source: MOF; BNM; CIA World Factbook; PEMANDU Analysis

The road most travelled: high debt/leverage

Country	Debt to GDP (%)	Fiscal Deficit (% of GDP)
Japan	229.20	- 6
Greece	176.90	-7.2
Lebanon	133.3	5.35
Italy	132.7	-2.6
Jamaica	132.7	-0.7
Portugal	129.00	-4.4
Cape Verde	123.00	-4.1
Cyprus	108.9	-1
Belgium	106.0	-2.6
Singapore	104.7	-1.2
United States	104.2	-2.5
Spain	99.20	-5.1
Bhutan	98.90	-2.4
France	96.10	-3.6
Ireland	93.80	-2.3
Canada	91.50	0.1
Egypt	90.50	-11.5
United Kingdom	89.20	-4.4
Jordan	89.00	-3.5

The road most travelled: high debt/leverage

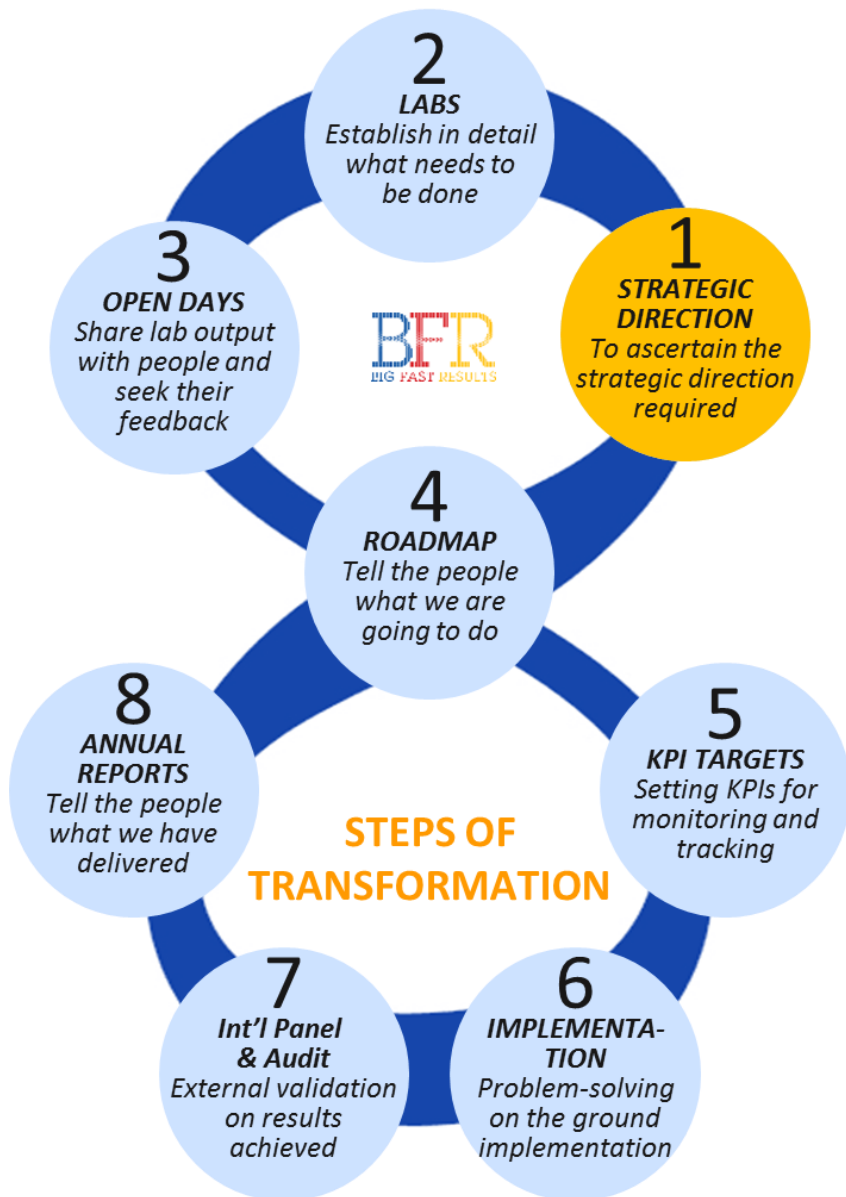
Country	Debt to GDP (%)	Fiscal Deficit (% of GDP)
Croatia	86.70	-3.2
Austria	86.20	-1.2
European Union	85.20	-2.4
Slovenia	83.20	-2.9
Iceland	82.40	-0.5
Sudan	79.00	-0.9
Mongolia	77.40	-3.1
Zimbabwe	77.00	-2.4
Bahamas	76.30	-4.4
Sri Lanka	76.00	-7.4
Hungary	75.30	-1.9
Serbia	73.40	-2.9
Albania	72.13	-4
Belize	68.30	-8.4
Ghana	67.60	-6.7
Brazil	66.23	-10.3
Pakistan	64.80	-5.3
Morocco	63.89	-5

Malaysia took the road less travelled

What we pursued

- **Self imposed law on Government debt ceiling (55% of GDP)**
- **Gradual reduction of fiscal deficit**
- **Mildly expansionary economic policy**
- **Tough/painful fiscal consolidation (fuel subsidy rationalization and GST)**
- **Economic Transformation (NKEA/SRI): Private sector as engine of growth**

Malaysia use a new way of working to embark on its national transformation programme in 2010



- BFR labs with multi-disciplinary teams eg engineers, economists, sectoral experts, citizens, etc.
- Practical way forward to transform the economy and society.
- Transparent and recursive implementation methodology.

We ran an 8-week lab and identified 131 EPPs to **TRANSFORM** the Economy

131

ENTRY POINT PROJECTS



Investments

USD 406 bil (2011-2020)



Gross National
Income

USD 250 bil (2020)



Additional Jobs

3.3 mil (2011-2020)

- Idris Jala – Top 10 Most Influential Policy Makers in the World (Bloomberg Market 2014)
- PEMANDU – Top 20 Most Innovative Government Agencies in the World (Bloomberg Philantropies and Nesta 2014)

Tourism identified as one of the key economic sectors

3_x

Tourism Receipts

RM53 bil /week → RM168 bil /week
by 2020

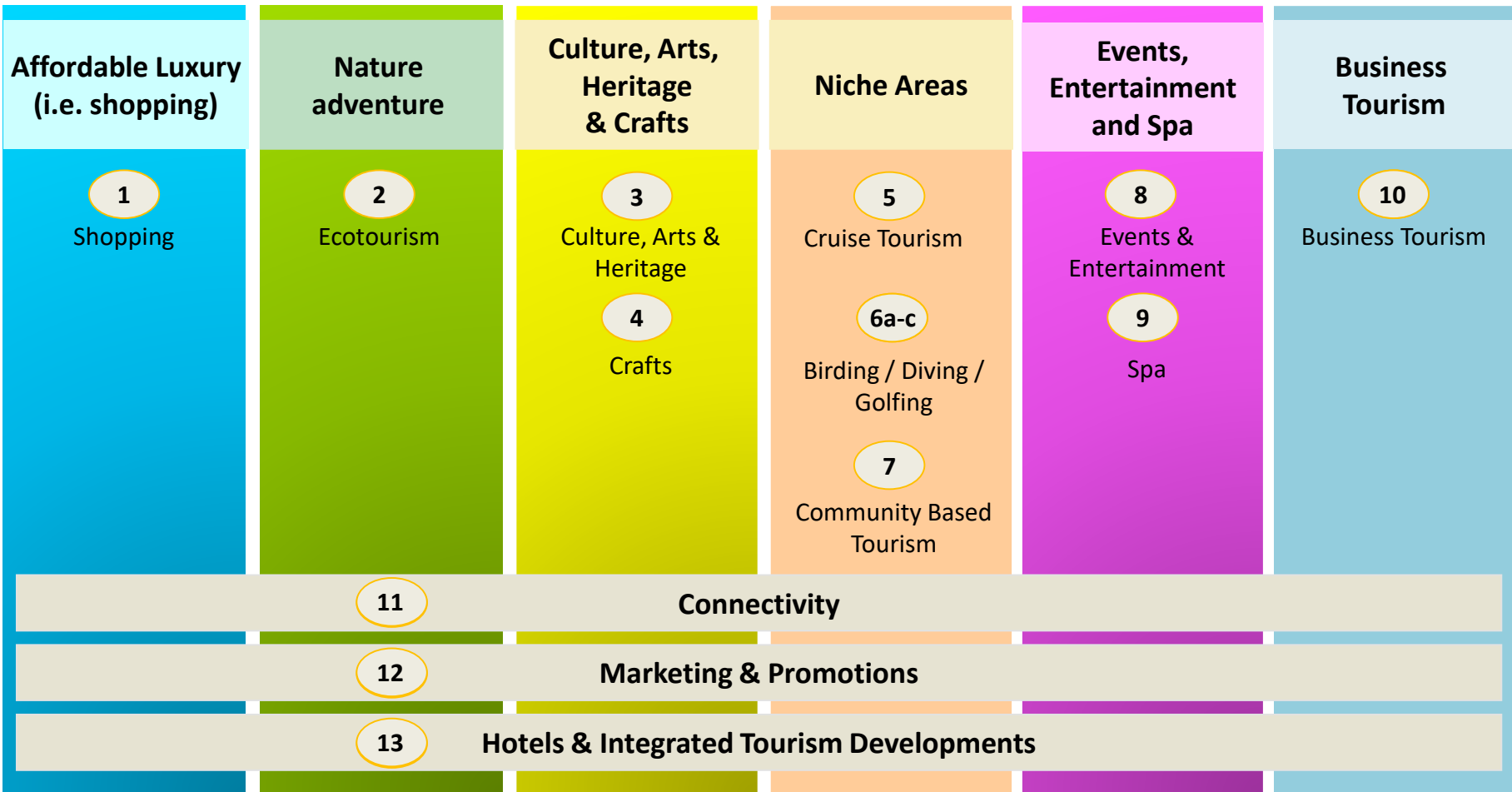
1.5_x

Tourist Arrivals

24 mil → 36 mil
by 2020

To achieve targets, initiatives will encompass broad range of product offerings

3x growth by 2020



Tourism Integrated Developments & Attractions

Luxury Hotels



St Regis Kuala Lumpur

Built on 2.2 acre site in KL Sentral, the hotel **features 208 rooms, convention facilities and hotel managed residences.** Opened in 2016

1



RM 1.2 bil

Investments

2



Gross National
Income

RM 135.5 mil
(2020)

3



Additional
Jobs

623

Tourism Integrated Developments & Attractions

Outlet Centers



Johor Premium Outlets, Johor

Southeast Asia's first outlet center opened in Dec 2011 comprised with 130 outlet stores.



Mitsui Outlet Park KLIA, Selangor

Southeast Asia's **largest-known to-date outlet centre** opened in May 2015.

JPO & MOPS Combined Investment, GNI & Jobs

1



Investments

RM 650 mil

2



Gross National
Income

**RM 426 mil
(2020)**

3



Additional
Jobs

3,877

Tourism Integrated Developments & Attractions

Integrated Development



Melaka Gateway, Melaka

Integrated Tourism Development in Melaka incorporating an **International Cruise Jetty, Marina Terminal, retail area and high end hotels.**

1



RM 601.19 mil
Investments

2



Gross National
Income

**RM 51.76 mil
(2020)**

3



Additional
Jobs

407

Efforts by Malaysia have been given global recognition

World's 5th Best Shopping City



Expedia UK

Expedia UK's lists **Kuala Lumpur** as one of its **Top 5 destination**. They critiqued each city based on the [value of money](#), [number of visitors](#) and the friendliness of the areas, all on a 10-point scale.

Global Awards 2015



World Travel Awards

Malaysia as **Asia's Leading Destination 2015**. Tourism Malaysia as **Asia's Leading Tourism Board 2015**.

Golf Tourism



World Golf Awards

Malaysia as **Asia's Best Golf Destination 2014 and 2015**, and also for the **World's Best New Golf Course 2014** and **Asia's Best Golf Course 2015**— The Els Club Teluk Datai

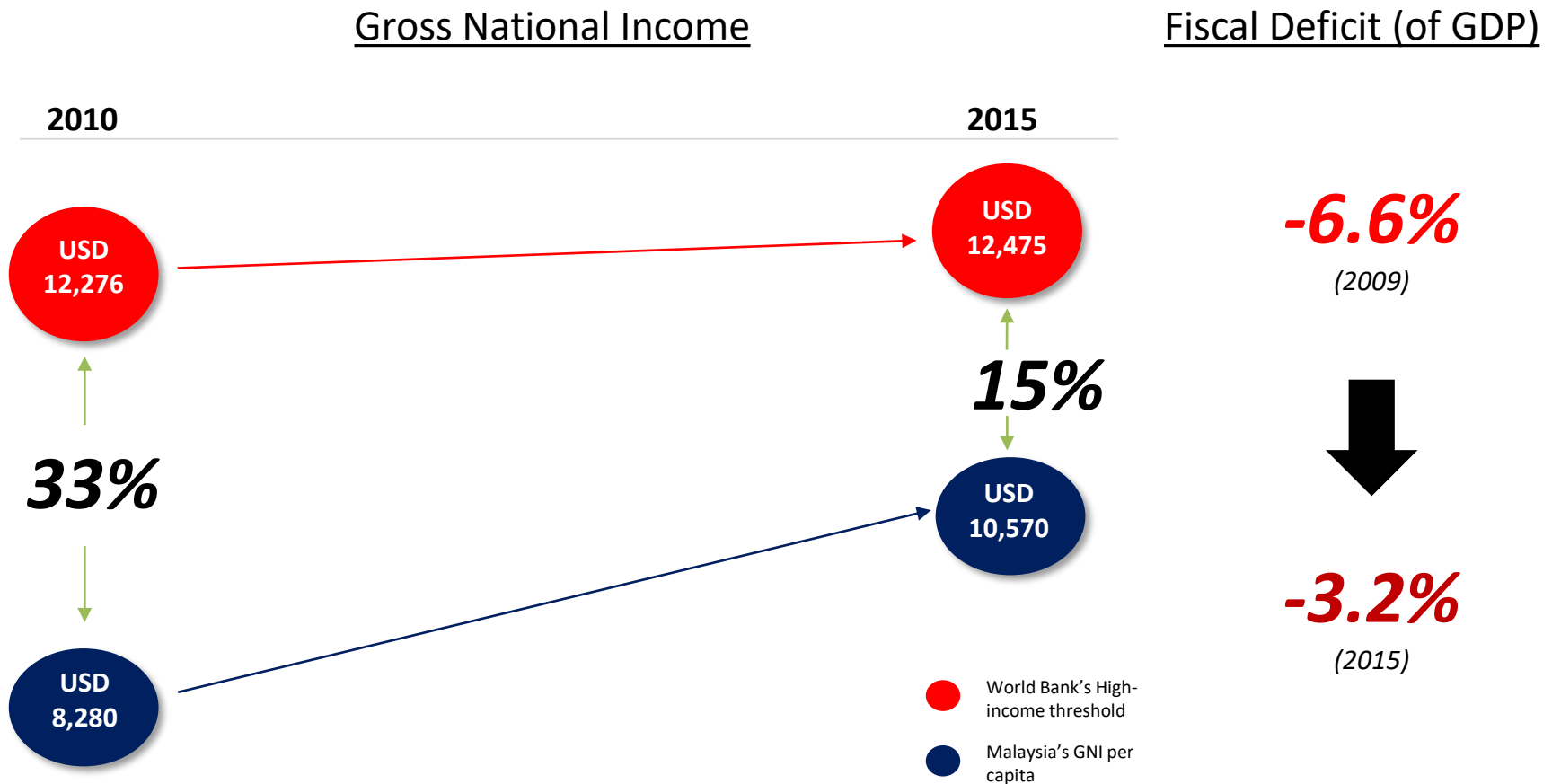
Halal Travel Destination



Crescent Rating

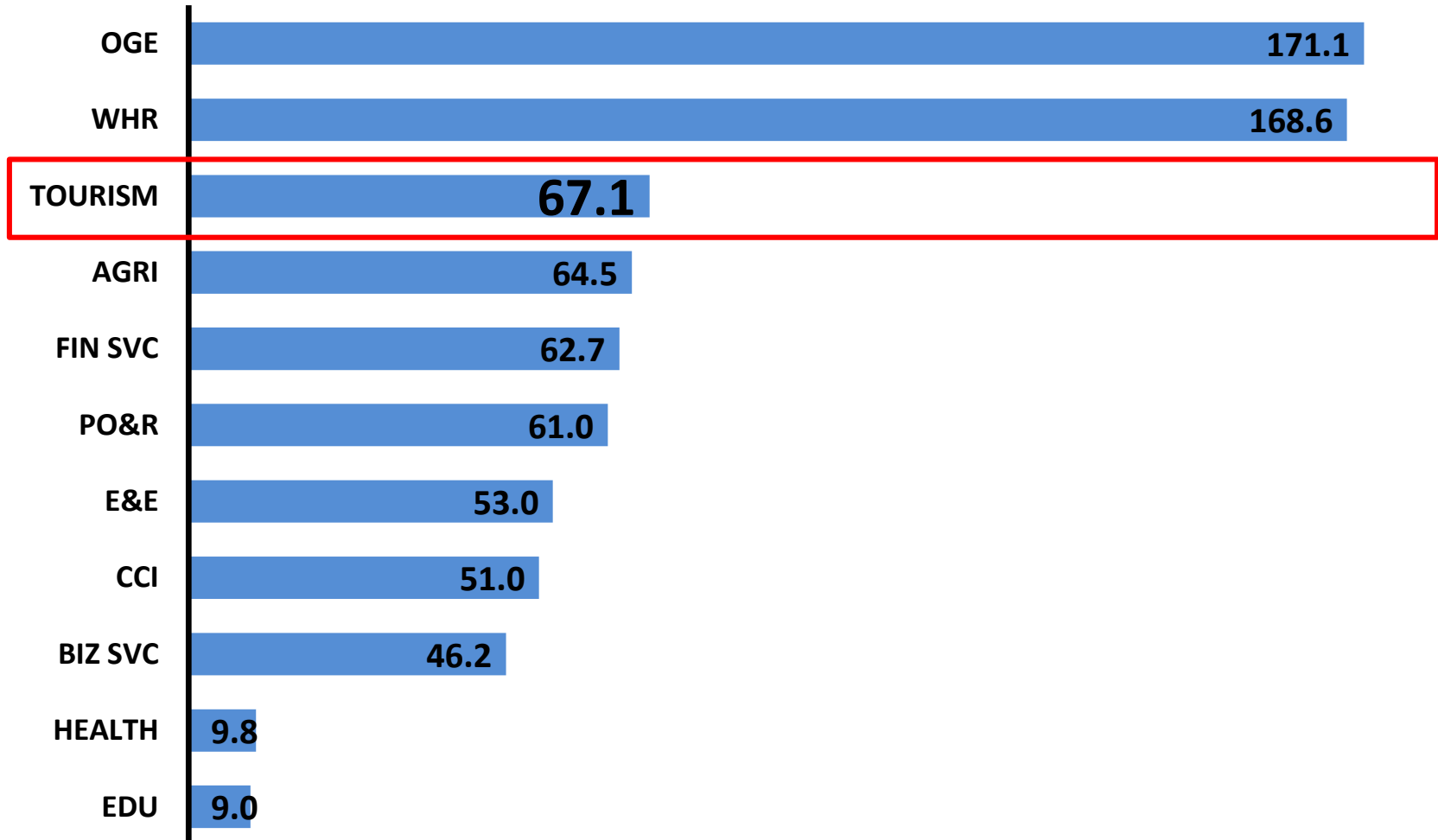
Malaysia retains **1st place** as most Halal/ Muslim friendly holiday destination. Kuala Lumpur ranked **#2 out of 40** international cities of overall index for Muslim Travel Shopping Index

Malaysia is no longer *stuck in the middle income trap, with worsening fiscal deficit*

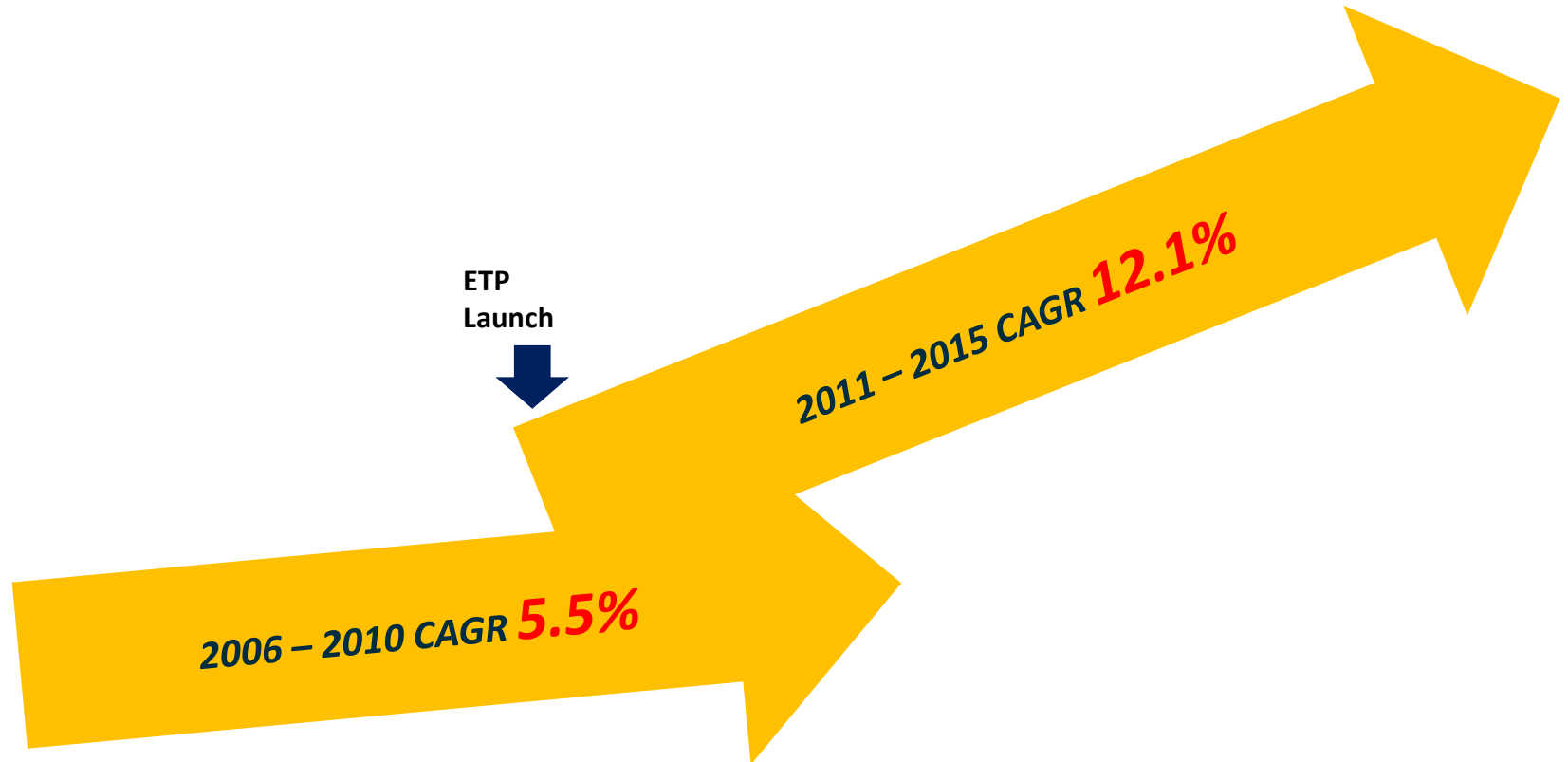


In 2015, Tourism grew by 8.8%, making it the 3rd Biggest GNI Contributor in Malaysia

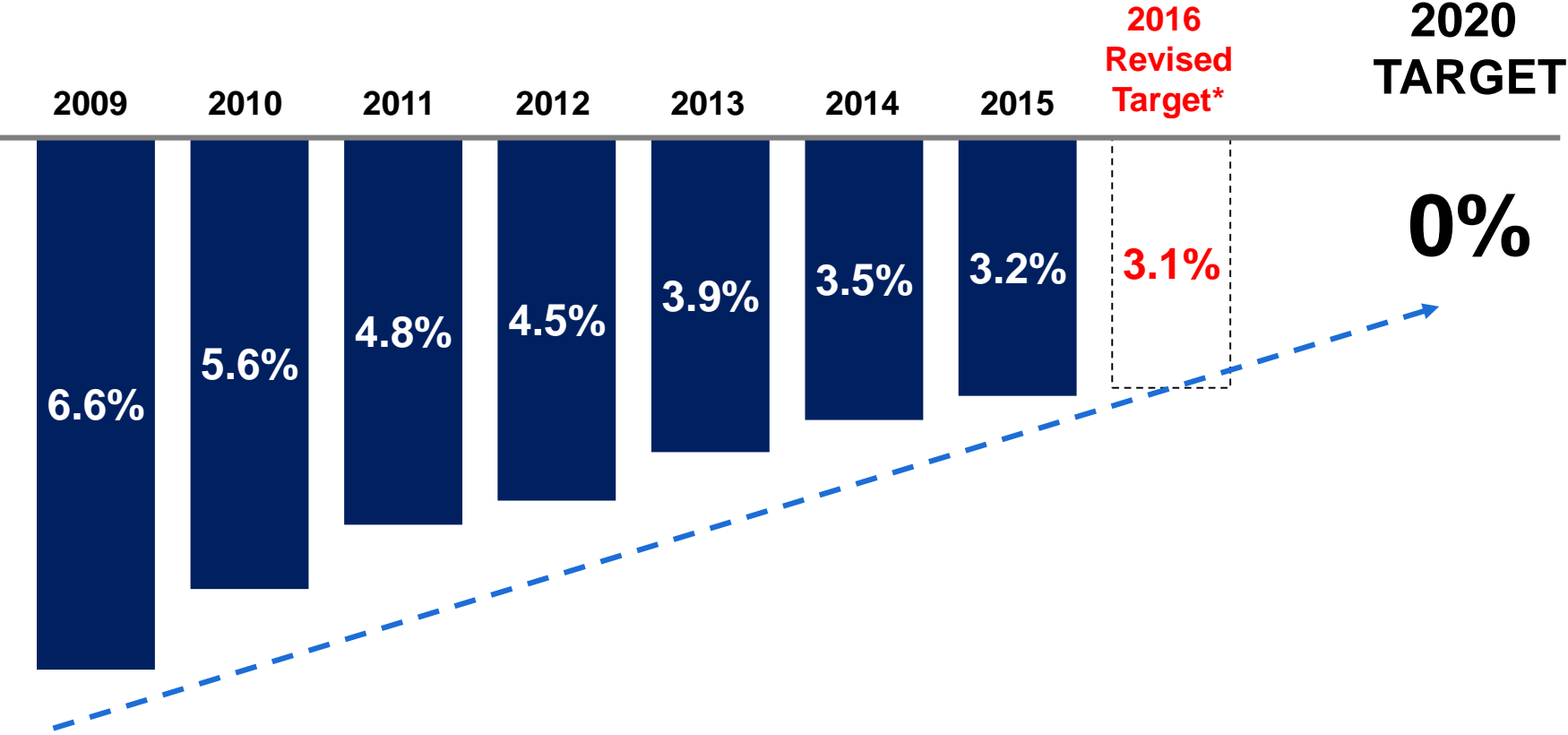
GNI (RM bil)



2.2X growth in Private Investment



Still On Track To Fiscal Balance



We promised to create 3.3 million jobs in 10 years

To date,

1.8 mil Jobs

have been created



We implemented inclusive measures for rural folks

6 million

Rural people benefited from rural infrastructure projects

5,286 kilometers
rural roads completed

3.5
million
people



334,593
rural houses
have access
to clean water

1,681,330
people



144,025 rural
houses have
access to reliable
electricity
720,125 people

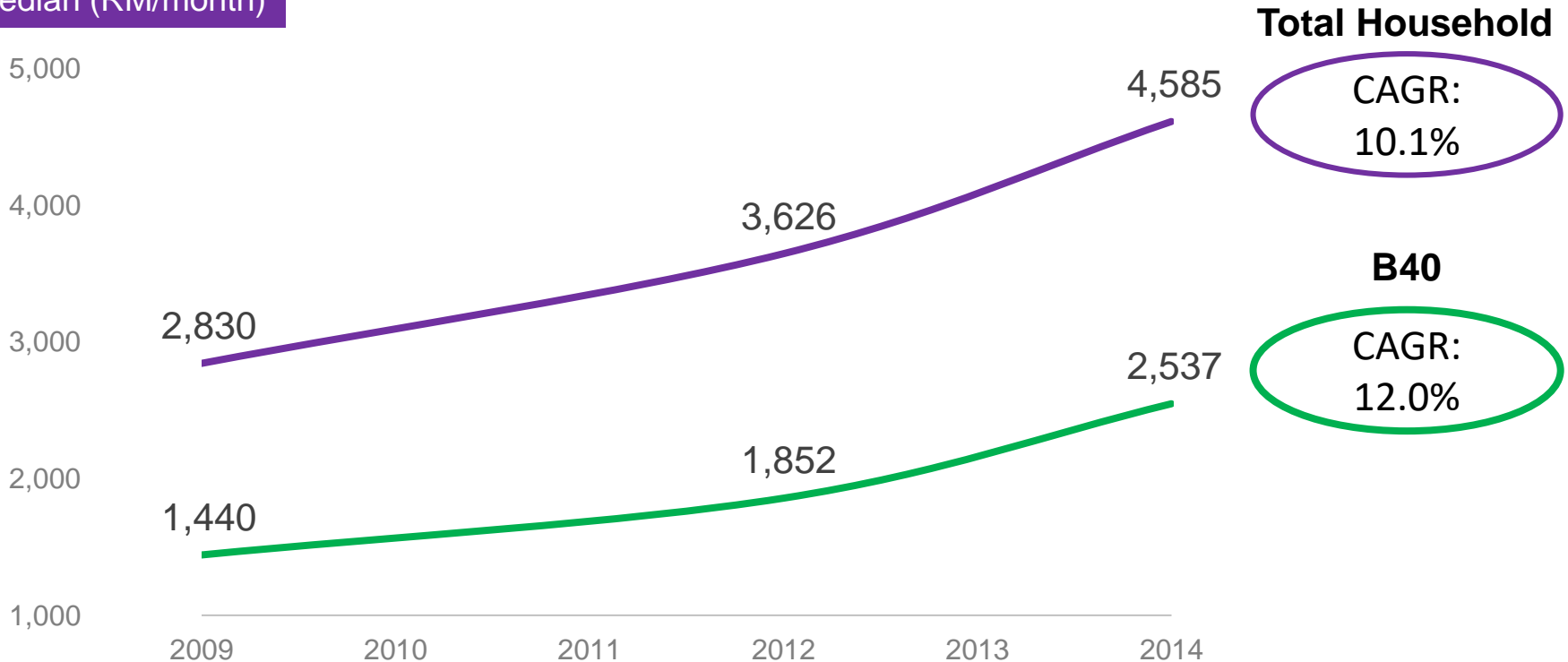


79,137
rural
houses built
and restored
412,360 people



Bottom 40% Household Income Growth Outpacing Total Household Income Growth

Median (RM/month)



Mean (RM/month)

Income groups	2009	2012	2014	CAGR
Total Household	4,025	5,000	6,141	8.8%
B40	1,440	1,847	2,313	9.9%

Note: Data for 2014 Household Income Survey are based on interim report and inflation data for 2012 is based on CPI until August 2014

Source: 11th Malaysia Plan

The Government Fiscal Sustainability

6 years record government revenue

6 years of fiscal deficit reduction

54% Government debt below limit of 55% GDP

THANK YOU