Abstract

Economic Transformation Programme (ETP) was launched in 2010 to elevate the Malaysian economy from middle-income classification to high-income. The key in keeping ETP’s delivery on schedule lies in its KPI-centric result delivery. There is extensive use of data and indicators in this KPI-centric approach of result delivery. Four major elements of ETP delivery are collaboration, implementation, accountability and transparency. KPI-setting process promoted collaboration between implementing ministries, PEMANDU, and private sector. The KPIs set guide ministries towards timely implementation. Every implementing party involved in ETP is held accountable through an annual external agreed-upon-procedure exercise on reported KPIs at the end of the year. Finally, ETP outcomes are made transparent to the public via annual reports.

Ku Kok Peng
Director, ETP Investment and Palm Oil & Rubber NKEA
Economic Transformation Programme (ETP)
Performance Management and Delivery Unit (PEMANDU)
Prime Minister’s Department
Perdana Putra Building
62502 Putrajaya
Understanding Progress Through Data & Indicators

Mystats 2013

18 November 2013

Ku Kok Peng
Director, ETP Investment and Palm Oil & Rubber NKEA
Four Key Elements
Underpin KPI-centric Delivery Structure

A. Collaboration
B. Implementation
C. Accountability
D. Transparency
**ETP's TRUE NORTH**

**Gross National Income (GNI)**
- USD 523b
- Per Capita USD 15,000
- 6% GDP growth per annum

**Investment**
- USD 444b
  - 92% Private
  - 8% Public
  - 73% DDIs
  - 27% FDIs

**Additional Jobs**
- 3.3 million

**Transformational Actions**
- COMPETITIVENESS ENABLERS
  - 51 Policy Measures
  - 6 SRIs & Natural Homes

**Focus Drivers**
- 12 NKEAs
- 131 EPPs
- 60 BOs

**Economic Transformation Programme**
A **Collaboration: Government, Private Sector Co-Create ETP**

1. **NKEA: We ran 1,000-person workshop where 12 NKEAs were selected**
   - **May 2010**
   - 1,000+ movers and shakers (CEO & top leaders) from 200+ MNCs, GLCs, SMEs, & Ministries & Govt agencies selected which sectors to become NKEA

2. **EPP: Specific labs for all NKEAs**
   - **June – July 2010**
   - 500+ members lab from 210 companies, 13 NGOs, & 32 government agencies produced the Entry Point Projects (EPPs)

3. **KPI: Each EPP’s progress is rigorously tracked**
   - Delivery of EPP will must go through the phases of KPI setting, review, validation and ultimately, publication in Annual Reports
   - KPI are set at ministerial level after consultations and meetings with stakeholders
Implementation: ETP Governance Structure To Ensure KPI Delivery

- KPI Setting
- KPI Delivery
- KPI Review
- KPI Validation
- Annual Report

All EPPs will have their KPI achievements reviewed weekly, monthly and annually.
Accountability: External Validation

Accountability Is Major Part Of The GTP & ETP Implementation Process

KPI Setting  KPI Delivery  KPI Review  KPI Validation  Annual Report

We have independent external assessor to validate the KPI delivery as true and fair

AUP PARTNER

GTP & ETP Results Endorsed by International Panel

MICHAEL THATCHER  SIR MICHAEL BARBER  STEPHEN SEDGWICK  MICHAEL HERSHMAN  ANDREW LEE  DR RAVI BALAKRISHNAN  DR YUKON HUANG  OMBENI SEFUE  HK YONG  DR ALEX MOURMOURA
Microsoft Asia Pacific CTO  IMF Institute European Division Chief  Australian Public Service Commissioner  President and CEO  Western AUS Govt Strategy, Policy and Governance  IMF APAC Resident Representative  Carnegie Asia Program Senior Associate  Tanzanian Government Chief Secretary  Advisor Commonwealth Secretariat  IMF APAC Division Chief

ETP, GTP Case Studies By Ivy League Institutions

PRINCETON UNIVERSITY

Tying Performance Management to Service Delivery: Public Sector Reform in Malaysia, 2009-2011 (July 2011)
By Deepa Iyer

HARVARD BUSINESS SCHOOL

Malaysia: The Economic Transformation Program
(November 2012) by Prof Diego Comin & Ku Kok Peng
Transparency: Annual Reports

Annual Report Is The Opportunity For The Public To Assess GTP & ETP Impact
Overall **NKEA RESULTS**

**KPI MET**

<table>
<thead>
<tr>
<th>Year</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>KPI</td>
<td>123%</td>
<td>118%</td>
<td>66%</td>
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</tbody>
</table>

- Oil, Gas & Energy
- Healthcare
- Electrical & Electronics
- Education
- Communications Content & Infra
- Tourism
- Greater Kuala Lumpur
- Financial Services
- Business Services
- Agriculture
- Wholesale & Retail
- Palm Oil & Rubber
GNI per capita
ON THE RISE

CAGR = 9%

Source: Department of Statistics, BNM
NKEA 69% of GNI, 670k new jobs IN 2 YEARS

**Gross National Income**
- NKEA: RM605.2b (60.8% of GNI in 2012)
- Non-NKEA: RM621.0b (62.1% of GNI in 2012)

**Employment**
- NKEA: 11,899.5 (60.8% in 2012)
- Non-NKEA: 12,284.4 (62.1% in 2012)

**Source:** Department of Statistics
Investment Tracking
Committed & Realised Investment Data Are Collected Directly From The Investors

Source: PEMANDU, data provisional only and subject to revision
Investment Tracking
Planned Investment Indicates Future Pipeline

Source: PEMANDU, data provisional only and subject to revision
Corroborative Data
External Statistics Corroborates Shift In Investment Trend

Source: MIDA
Corroborative Data
External Statistics Corroborates Shift In Investment Trend

**Target**  **Actual**  **NKEA share**

*In RM billion*

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>Actual</th>
<th>NKEA Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>86b</td>
<td>94b</td>
<td>RM68.2 b</td>
</tr>
<tr>
<td>2012</td>
<td>127.9b</td>
<td>140.2b</td>
<td>RM85.7 b</td>
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<tr>
<td>2013</td>
<td>148.4b</td>
<td>128.8b</td>
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</tbody>
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**9M 2013:** 87% of target achieved

Actual investment figures are based on SNA 2008 after the rebasing exercise conducted in 2012.

Source: Department of Statistics 2013
Share of Private Investment
HIGHEST IN 8 YEARS

Source: Department of Statistics 2013, GDP at constant prices
Private Investment
ACCELERATED post-ETP

BNM FORECAST FOR 2013:

Source: Department of Statistics, Private Investment in Constant 2005
Private – Public Investment WIDENING

Source: Department of Statistics, GDP at constant prices
THANK YOU
Visit us at www.pemandu.gov.my