

# **Memorandum**

**to**

**Prime Minister**

**Y.A.B. Datuk Seri Najib Tun Abdul Razak**

**on the 10<sup>th</sup> Malaysia Plan,  
2011-2015**

**Date: 3<sup>rd</sup> June 2010**

**Proposed by:**

**Parti Gerakan Rakyat Malaysia (GERAKAN)**

**Central Economic Bureau**

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## **INTRODUCTION**

### **Dear Honourable Prime Minister,**

As a component party of Barisan Nasional (BN), Gerakan wholeheartedly supports the mission and vision of the Government's Economic Transformation Programme (ETP) together with the other pillars of Vision 2020 such as 1Malaysia, the Government Transformational Programme (GTP) and now the 10<sup>th</sup> Malaysia Plan (10<sup>th</sup> MP) prepared by the Economic Planning Unit (EPU). Gerakan aims to suggest concrete recommendations in line with the strategic direction and economic prospect of the 10<sup>th</sup> MP as the final pillar to push our country out of the middle income trap phenomenon towards a high income and developed nation status by the year 2020. With the announcement of the New Economic Model (NEM), the launch of the 10<sup>th</sup> MP will ensure that the planning and implementation based on the outcome approach reach their specified trajectory targets of expected growth.

### **Main Objective of this Memo**

Parti Gerakan Rakyat Malaysia (GERAKAN) believes with a forward-looking, radical and inclusive outcome-based approach, 10<sup>th</sup> MP will definitely be able to push our country towards becoming an economically competitive, environmentally sustainable, socially just and culturally inclusive Malaysian Society

## **Executive Summary**

This memorandum contains recommendations and suggestions of Parti Gerakan Rakyat Malaysia (GERAKAN) for 10<sup>th</sup> MP with the view of achieving the following objectives for Malaysia:

- (A) Generating Robust and Sustainable Growth
- (B) Enhancing Talent and Human Capital Development
- (C) Safeguarding Social Justice and Inclusiveness
- (D) Sustaining Ecological Balance and Quality of life
- (E) Advocating Good Governance & Integrity

To generate robust and sustainable growth, amongst others, Gerakan proposes cutting red tape by introducing a “one-in, one-out” rule whereby no new regulations is to be brought in without other regulation being cut by a real amount, promoting SMEs procurement by introducing an aspiration that at least 30% of government contracts should be awarded to SMEs via open tender, calling for open and transparent tender for all government projects etc.

To enhance talent and human capital development, Gerakan advocates providing various competitive incentives like automatic tax exemption for non-profit education and research institutions to strengthen the capacity (funds, infrastructure and specialization), reviewing existing policy like recognizing Unified Examination Certificate (UEC) to halt brain drain problem to give meaning to free education for all by absorbing all partially aided schools' expenditure for maintenance and repairs as part of operating expenditure (OpEx) etc.

To safeguard social justice and inclusiveness, Gerakan asserts that a specific strategy based on merits and need must be formed to ensure access to quality educational and employment opportunities for the 30% lowest household income-earners, encourages the private sector, acting as part of

social responsibility, to play a more pro-active role to complement the Government's overall effort to stem the poverty problem etc.

To sustain ecological balance and quality of life, Gerakan promotes the concept GWB (General Well-Being) and not the mere growth of GDP as a perquisite for a more holistic and ideal development, advocates creating a presumption in favour of sustainable development in the planning system, Proposes the police to publish detailed local crime data statistics every month so that the public can hold the police accountable etc.

To advocate good governance and integrity, Gerakan suggests having full online disclosures of all government spending and contracts, creating a "right to data" so that government-held datasets can be requested and used by the public, opening up civil service recruitment to all Malaysians by publish job vacancies online etc.

In addition to the above, this memorandum also incorporates a special section on proposals specifically on Sabah submitted by Gerakan Sabah, which, amongst others, calls for the removal of the Cabotage Policy, adoption of the Open Sky Policy, formulation of a workable and practical policy on foreign workers etc.

## **(A) Generating Robust and Sustainable Growth**

### **10<sup>th</sup> MP TERAS 1: Increasing Malaysia's economic value chain**

#### **Strategic directions:**

- (i) To intensify the competitive private sector as the pioneer engine of growth;
- (ii) To increase productivity and innovation through a fast switch towards knowledge-based economy (k-economy);

#### **Challenges:**

- Increasing Malaysia's competitiveness in the global environment
- Adding contribution from new sources of growth with high values
- Widespread instillation and dissemination of innovation and technology
- Intensive private sector involvement
- Strengthening the capability and culture of healthy entrepreneurship

#### **Proposed Measures and Actions:**

1. More aggressive liberalization efforts must be put in to ensure Malaysia continues to remain ***open and competitive*** as destination number one for local and international investors. At a time when our country is having fiscal constraints, the role fulfilled by the private sector becomes more vital as the pioneer of economic growth. ***High domestic investments and foreign private investments should be the main source which determines the growth performance*** in the 10<sup>th</sup> MP.
2. The ***“private sector priority” approach should be the mantra to realize the private sector's role as the pioneer in economic and social activities***. The private sector involvement must be intensified through establishment of “business-friendly” policies as well as the Government's role in acting as effective facilitators. For this purpose, ***comprehensive rules and regulations reviews must be done to create a law and order***

***regime that is investor-friendly.*** The impact evaluation on investments must be made a pre-condition before any new policy or legislation proposals are introduced. The “one-window” and “hand-holding” mechanism which provide the overall support must be formed and continued to ease private investment activities.

3. The following specific business/investor-friendly measures must be put in place:
  - (a) Cut red tape by introducing a ‘**one-in, one-out**’ rule whereby no new regulation is to be brought in without other regulation being cut by a greater amount.
  - (b) Seek to ensure a level playing field between local small and medium and large businesses (especially foreign), for example retailers by enabling local governments to take **competition issues** into account when drawing up their local plans to shape the direction and type of new retail development.
  - (c) Make it easier for people to set up new business by cutting the time it takes to start a new business. Reduce the number of forms needed to register a new business, and move towards a ‘one-click’ registration model.
  - (d) Promote SMEs procurement in particular by introducing an aspiration that **30% of government contracts** should be awarded to local small and medium-sized businesses and by publish government tenders in full online and free of charge.
  - (e) Call open and transparent tender for all government projects to ensure value for money in the best interest of the government and people.
4. The banking and financial sector must be further liberalized:
  - (a) The banking system should serve business not the other way round. There should be action plan to foster diversity in financial

services, promote innovations and create a more competitive pro-business banking industry.

- (b) Develop effective scheme to ensure the continued flow of credit to viable SMEs. This will include consideration of both a major loan guarantee scheme and the use of net lending targets for the banks.
  - (c) The Working Capital Guarantee scheme, which was worth RM5billion last year, must be continued to benefit SMEs.
5. A better and fairer Consumer Protection mechanism against banking & financial institutions:
- (a) Oblige credit card providers to provide better information to their customers in a uniform electronic format that will allow consumers to find out whether they receiving the best deal.
  - (b) Introduce stronger consumer protections, including measures to end unfair bank and financial transaction charges.
6. The effectiveness and need of price control, the supplying guidelines and the subsidy system without target, which tend to open for abuses, must be re-examined and rationalized carefully to ensure they are sustainable and beneficial to the target groups
7. Strong but prudent Deficit Reduction measures must be undertaken so as to:
- (a) Significantly accelerate the reduction of the structural deficit with the main burden of deficit reduction borne by reduced spending and subsidies rather than increased taxes.
  - (b) Create strong financial discipline at all levels of government and place an obligation on public servants to manage taxpayers' money wisely.
8. The current policy of putting a freeze on hiring foreign workers needs to be reviewed:



- (a) The agricultural sector must be given same treatment as palm oil industry whereby their foreign workers are allowed to extend their work permits for another 5 years.
- (b) A proper assessment of how many foreign workers are needed, how long they are needed here and what skills or experience are expected of foreign workers must be done, before a more practical and sustainable “win-win” solution can be ascertained

9. Strengthening the capability and culture of healthy entrepreneurship through specific programs:

- (a) Support would-be entrepreneurs through a new program – Work for Yourself – that will give them access to business mentors and easy start-up loans.
- (b) Develop local entrepreneurs’ networks – places where would-be entrepreneurs can gather to exchange skills, find opportunities, make contacts and provide mutual support.

## **(B) Enhancing Talent and Human Capital Development**

### **10<sup>th</sup> MP TERAS 2: Increasing Malaysia's knowledge ability (know-how) via 1<sup>st</sup> class mentality**

#### **Strategic direction:**

- (iii) To prepare creative, innovative and highly-skilled human capital/resources of the 21<sup>st</sup> century;

#### **Challenges:**

- Increasing both the students' and teachers quality and performances
- Streamlining technical and vocational trainings into mainstream school system
- Increasing our graduates' competencies
- Increasing research and development capabilities
- Increasing our workforce marketing efficiency

#### **Proposed Measures and Actions:**

1. Malaysia's wish to turn into a developed nation very much depends on human capital which possesses a high level of competency, creativity and innovation, positive attitude, and good humanistic values in meeting market and economic needs in the 21<sup>st</sup> century. For this reason, ***the human capital development must be integrated and involves strengthening of every level of education encompassing pre-school, primary and secondary, tertiary and life-long education. A stronger and closer collaboration between Higher Education Ministry, Education Ministry and Human Resource Ministry is a key to this initiative.***

2. ***The educational and training development focus must be changed from physical infrastructure development to quality human capital development.*** The current education system must be re-studied, re-analyzed and reformed to ensure each individual is given a qualitative, fair and square chance to showcase his or her potential and talent to the maximum capacity. ***The formation of curriculum, methods of assessment and learning environment must prioritize the development of inquisitive, critical thinking and good entrepreneurship skills. Various competitive incentives and mechanisms based on meritocracy*** must be formed to ensure educational, training and research institutions are headed by high performance leaders who are responsible and given the adequate autonomy to run these academic institutions. Ultimately, ***what we want is to attract the attention and maintaining the interests of our reputable and highly capable educators and researches to prevent the brain-drain phenomenon.***
  
3. To complement the needs for skilled workers, ***integrated efforts needs to be introduced to blend a paradigm shift within our society towards technical and vocational education.*** In line with this emphasis, ***we call upon the Government to streamline the current technical and vocational education into existing mainstream schools and to strengthen the system via the latest technology applications as well as the most up-to-date methods of teaching and learning, especially from top engineering institutions such as the Massachusetts Institute of Technology (MIT) in the US.*** Introducing a high standard and skills-accreditation system to increase the skilled workers career prospects must surely support this effort. Securing educational partnerships between MIT and our various technical institutes in Malaysia perhaps can do this.

4. To uplift the achievements of our public institutions of higher learning, we must provide incentives and a conducive, competitive environment by stages.
- (a) As a first step, the direct admission of students to research universities should be considered.
  - (b) The sensitiveness of the academia towards industrial developments nationwide-cum-worldwide must be enhanced as a main effort to ensure the marketability of our graduates.
  - (c) The competitiveness and quality of the researchers' community development supported by an encouraging and stimulating infrastructure and environment must be a priority to produce the R&D&C needed to expand our boundaries of knowledge and ability to meet market demands at all times.
  - (d) Attractive incentives and effective promotions must be put into place to encourage the establishment of endowments to strengthen the capacity (in terms of funds, infrastructure and specialization) of the education and research institutions, the knowledge culture assimilation among the firms and societies and increasing sustainable university-industry co-operation.
  - (e) Attractive incentive for the creation of apprenticeships, internships, work pairings, and college and workplace training places as part of our wider programmed to get our graduates marketable.
  - (f) Publish more information about the costs, graduate earnings and student satisfaction of different university courses.
5. Besides local human capital, we **must formulate an effective policy to enable Malaysia to benefit from global talent**. We spend huge sums on educating foreigners here (although they have to pay) but when they graduate, we should not turn them down when they are seeking employment in Malaysia, especially those who are highly-educated and highly-skilled professionals.

- (a) We must create a K-society living and working atmosphere with a workforce market that is able to judge skills and talents objectively to attract and maintain professional workforce in Malaysia, be it local or foreign.
  - (b) The legislature review related to occupational and industrial relationships must be done continuously.
  - (c) The market information sharing system must be developed to ensure efficient market workforce, especially to encourage women and local workers participation. The brain gain policy needs to be rearranged in order to ensure effective implementation to prevent brain drain.
6. All partially-aided schools, including Chinese schools, Tamils schools, missions as well as Sekolah Agama Rakyat, their expenditure for maintenance and repairs for schools ought to be taken care of by the government, as part of operating expenditure (OpEx) for which the government has been fully responsible, to give meaning to free education for all policy.
7. Future building of schools must be based on “Need & Demand” basis, for example, for every 3,000 houses in a Chinese majority area, ***where there is overwhelming need and demand for a Chinese School***, it is only fair and just for a land to be set aside for the building of a Chinese School. The same principle should apply to other schools.
8. The government should consider admitting students with Unified Examination Certificate into local public universities.
- (a) Particularly, into science stream as the Chinese independent schools usually produce students who are excelled in science and mathematics. This move can help curb brain drain, especially to Singapore; or

(b) at the very least, for the purpose of admission into public universities and teaching colleges for training of teachers for SJK(C) and Pupils Own Language (POL) teachers for Sekolah Kebangsaan.

9. Automatic tax exemption for donations to all non-profit school and education institutions, provided each has a trust fund set up. This will be an important touch point which will not cost the government any additional expenditure. At the same time, it will also encourage members of other communities to donate to their respective schools or education institutions, as a fine tradition to be promoted.

10. A more transparent system for the award of JPA scholarship, besides entirely merit-based Biasiswa Nasional. The government should make known to the public, the criteria, formula and composition of JPA scholarship being awarded for each year, eg, 20 percent totally on merit, 60% combination of ethnic and merit, and 20 percent for Sabah, Sarawak and the disadvantaged groups. In this regard, the government should consider setting up a portal, similar to the “MyProcurement” portal, whereby any person can check his or her standing, viz-a-viz, the various criteria, before and after the decision on scholarship awards.

### **(C) Safeguarding Social Justice and Inclusiveness**

#### **10th MP TERAS 3: Addressing socioeconomic imbalances in a constructive and productive manner**

##### **Strategic direction:**

- (iv) To apply inclusive approaches to address the development gap between the haves and the have-nots;

##### **Challenges:**

- Poverty eradication and increasing household income for 30% lowest earners
- Increasing accessibility to basic infrastructure especially for those in rural areas
- Fair, just and equitable distribution of wealth by “expanding the cake” concept
- Adopting inclusiveness in ensuring all the vital needs of all Malaysians
- More balanced regional development

##### **Proposed Measures and Actions:**

1. The peaceful and harmonious nation-building based on the 1Malaysia concept mirrors unity in diversity, mutual respect, acceptance and tolerance, the spirit of togetherness and brotherhood and social justice require a growth approach of ensuring the equitable wealth distribution is maintained to ensure stability and socioeconomic balance. **For this purpose, a specific strategy based on merits and need must be formed to ensure access to quality educational and training opportunities, to narrow the digital divide and to increase the opportunity to engineer higher incomes especially for the 30% lowest household income-earners. A more integrated step must be outlined to tackle the sidelined, minority population, more so in the Orang Asli**

**community in Peninsular Malaysia and the various indigenous tribes in Sabah and Sarawak.**

2. A more concerted and specific effort must also be focused on households earning less than the **below-average level of the middle-low salary range**. The strategy to mould a professional or skilled worker in each family must be introduced to ensure they are **lifted from the poverty trap**. To increase their capability to generate a higher income, the training programs offered by community colleges and Pusat Giat MARA need to be cemented in line with the demands of the local community. The private sector, acting as part of social responsibility, must play a more proactive role to complement the Government's overall effort to stem the poverty problem.
3. More significant opportunities must be available to ensure all Malaysians are able to enhance their work specialization to fulfill vacancies in the highest management levels in the strategic corporate sectors. We need more capable Malaysian CEOs, based on merit and not race. If we have great Malaysians running our high performance companies, especially GLCs, then all Malaysians will benefit directly and or indirectly from the best brains.
4. Hence, a more balanced development program to address the socioeconomic imbalance must be set into place by benefiting from geographical potential and the use of latest technology. Uninterrupted efforts should be continued to strengthen socioeconomic development in the semi-urban and rural areas including preparing utilities, infrastructures and public amenities to increase the rakyat's QoL and quality access to economic opportunities. Special focus should be given on competitive and sustainable industrial and entrepreneurial programs by increasing integration, therefore reducing distance and segmentation between the



marginalized areas and the high-density economic areas based on the 3D concept (Density, Distance, Division), especially in East Malaysia.

5. Attractive Incentives must be provided to train a new generation of community organizers and support the creation of neighborhood groups across Malaysia especially in the most deprived areas.
6. As an effort to curb demand for foreign workers, thorough studies on the introduction of Minimum Wage on sectoral basis should be undertaken. This is to provide protection to low-income workers and incentives for locals to work.

## **(D) Sustaining Ecological Balance and Quality of life**

### **10<sup>th</sup> MP TERAS 4: Elevating Malaysia's level of sustainability and quality of life**

#### **Strategic direction:**

(v) To improve our quality of life (QoL) on par with developed nations;

#### **Challenges:**

- Strengthening public peace and security, including reducing crime rates
- Quality healthcare, active lifestyle emphasis and overall general well-being
- Increasing the efficiency and effectiveness of public transportation
- Encouraging sustainable development
- Developing a progressive society

#### **Proposed Measures and Actions:**

1. In line with the nation's economic development, the rakyat's QoL must be enhanced on par with developed nations. The living environments and conducive working atmospheres must be established to make Malaysia an ideal choice for *"living, working and playing"*.
2. In line with the choice of **public safety & security** as a National Key Result Area (NKRA), extreme efforts must be placed on tightening law enforcement and applying new technologies to solve crimes. Infrastructure development will be focused on increasing the efficacy of our public transportation system which must be integrated, convenient, safe, efficient and most important of all, affordable so that this mode of transport becomes our people's first choice. The public transportation network system must be suitably arranged according to resident areas, economic hubs and public facilities. The Government must continue to provide

quality basic utilities by executing programs such as increasing the capacity of quality water production and water supply services, besides reducing the rate of non-revenue water loss.

3. For a better life quality of the rakyat, access to basic affordable necessities must be expanded. Thus, the health level of our rakyat can be upgraded through a healthy and active lifestyle plus proper healthcare habits and practices. Besides, the maintenance and rehabilitation of mother nature, including usage of natural resources such as water, land and forests in a sustainable manner must underpin all socioeconomic activities to ensure a better tomorrow for our younger generation. The richness of our diversified cultures and national heritage must be preserved infinitely.
4. **To inculcate a civil society, the spirit of volunteerism, caring, neighbourliness and respect for public property and basic rights must be instilled into our children's consciousness. The need for public infrastructure by our disabled citizens warrants urgent attention as we want to develop in the humanistic aspect as well. *The concept of evolving from the mere growth of GDP should now emphasize more on GWB (General Well-Being) as a pre-requisite for a more holistic and ideal development.***
5. Incentives must be provided to support the creation and expansion of co-operatives, charities and social enterprises, and enable these groups to have much greater involvement in the running of social services like healthcare and educational supports that are best served by them.
6. More effective specific measure need to be introduced to protect public safety and security:
  - (a) Oblige the police to publish detailed local crime data statistics every month so the public can get proper information about crime in their neighborhoods and hold the police to account for their performance.

- (b) Require police forces to hold regular 'beat meetings' so that residents can hold them to account.

7. More effective specific measure need to be introduced to protect Environment:

- (a) Work towards a 'zero waste' economy, encourage local authorities to provide more incentives for people to recycle and work to reduce littering.
- (b) Create a presumption in favour of sustainable development in the planning system.

8. More effective specific measure need to be introduced to ensure equalities:

- (a) Extend the right to request flexible working to all employees, consulting with business on how best to do so.
- (b) Look to promote gender equality on the boards of listed companies and GLCs
- (c) To make working places more family-friendly for working mothers.

## **(E) Advocating Good Governance & Integrity**

### **TERAS 5: Strengthening Malaysia's institutional abilities and implementations**

#### **Strategic direction:**

(vi) To increase the Government's role as an effective and efficient facilitator of which the Government must practice integrity and transparency.

#### **Challenges:**

- Maintaining integrity by destroying space and opportunities for corruption
- Innovative delivery of services
- Increasing efficacy in executing projects and programs
- Increasing the public sector's capability and competency

#### **Proposed Measures and Actions:**

1. **The Government's role** in the nation's development process needs to be revalued in keeping with the changing times and economic demands. As a facilitator, the Government's direct involvement will depend on the requirement to address the failure of markets, for instance. Going by this approach, **a clear boundary must be identified to prevent functional overlapping conflicts between the Government's role as the supervisor, the owner and the business runner.** A more business-friendly environment must be laid by allowing private sectors to make decisions based on pure business considerations with minimum terms and conditions.
2. **Quality delivery of services, punctuality and cost-effectiveness are all important to increase our country's competitiveness in the global stage.** The public sector must enable innovative and integrity-based

services. Integrated planning, execution and supervision of programs and projects that transcends the various agencies based on “outcome” must be the key approach. The system that encourages sharing of information within agencies must be developed. Emphasis must also be given to the human resources development in the public sector to increase workforce knowledge, competency and accountability. A competitive job-related scheme and an interesting career prospect as well as an effective mechanism must be created to ensure civil servants continue to excel and be responsible in their duties of serving the rakyat’s needs.

3. The Government must have a good administrative culture and increase its efficiency and performance in the public sector delivery system. To ensure integrity, the personality and discipline of public servants and the smooth delivery services must be upgraded through information communication and technology (ICT) application to support zero face-to-face interaction for the appropriate services. The bureaucratic power reduction to embolden the agency’s frontline must be encouraged. Unnecessary “red tapes” must be removed to ensure smoothness.
4. More effective specific measure need to be introduced to ensure Government Transparency:
  - (a) Introduce better protections for whistleblowers in the public sector.
  - (b) Require full, online disclosures of all central government spending and contracts.
  - (c) Create a new ‘right to data’ so that government –held datasets can be requested and used by the public, and then published on a regular basis.
  - (d) Require all government departments to publish items of spending and to publish contracts and tender documents in full.
  - (e) Ensure that all data published by government agencies is published in an open and standardized format, so that it can be used easily and with minimal cost by third parties.

5. More effective specific measure need to be introduced to effect Civil Service Reform:

- (a) Improve the civil service, and make it easier to reward the best civil servants and remove the least effective.
- (b) Open up civil service recruitment to all Malaysians by publishing job vacancies online.

**(F) Sabah Gerakan's Special 10<sup>th</sup> MP proposal for Sabah**

In order for Sabah to achieve Malaysia's target of US\$15,000 per capita by 2020, Sabah will need to grow at an average of 17-20% otherwise the state will be left behind. The following issues require urgent attention in order for Sabah to reach this goal under NEM and 10<sup>th</sup> MP.

1. The removal of the Cabotage Policy (which is responsible for additional shipping cost) by the Federal Government and its accompanying adverse effects on the prices of goods and cost of living in Sabah for the past few decades is loud and strong. The call is for vessels from East Asia, China, Japan and the USA where most of Malaysia's imports are coming from be allowed to make KK the first port of call. The ultimate goal is for the government to realize the One Country, One Price Policy.
2. The immediate adoption of the Open Sky Policy (the so called 5<sup>th</sup> Freedom) to allow direct flight landings in Kota Kinabalu International Airport (KKIA). This will benefit the growth of the state's tourism sector by the increasing the influx of foreign tourists to Sabah. This will also serve as a boost to the development of the services sector and also the manufacturing sector.
3. The greater assistance from the Federal Government in areas of policy, technology, R&D, human resource development incentives and funding as to give a bigger push for the development for the Palm Oil Industry cluster projects and the CPO related down stream and value-added industries in Sabah.
4. The big push in the development of Oil & Gas (petrochemical) Industry in Sabah by keeping and utilizing the existing available oil and gas resources



to attract investors to invest in Sabah thereby providing the quantum leap growth badly required by the state.

5. The enhancement of the state ICT infrastructure capacity from the existing 1 gigabyte link to the Mersing gateway. The state wants to be allowed to be linked to the 10 gigabyte Brunei gateway. This will promote the development of the ICT industry, including the setting up of a data centre.
6. The formulation of a proper, practical and workable policy on foreign labour by the Federal Government (i.e. to study and adopt the Dubai framework as a model) as Malaysia's affluent society will still need to depend on foreign laborers to do the 3D jobs (dirty, dangerous and demeaning). The move to increase the worker's levy is not being seen as a solution and this will only encourage the hiring of illegal workers. In connection with this issue is the sensitivity of the local bumiputras like the Kadazans (KDM) over the legalizing of the Pendatang Tanpa Izin. It is estimated that the ratio of the PTI is one to every three Sabahans. The Government has to find an acceptable solution soon and definitely before the next GE13.
7. The creation of a conducive environment to do business and for businesses to grow by eliminating the political patronage system that has been in existence for decades. It is a wide spread perception that all major projects are given to political proxies or those politically well connected. The call is for an open, transparent tendering process.
8. The country's education system needs to be upgraded to produce the right-mix of quality manpower to meet the needs of the industries; to address the problem of degree mismatching among local graduates to jobs available in the market; to put greater focus on R&D activities and to address the brain drain issue as qualified graduates cannot find employment within the country due to the non-availability of suitable jobs.

## **CONCLUSION**

In line with the strategic direction and economic prospect of the 10<sup>th</sup> MP as the final pillar to push our country out of the middle income trap phenomenon towards a high income and developed nation status by the year 2020, Parti Gerakan Rakyat Malaysia (GERAKAN) hereby submits its concrete recommendations for the government's consideration.

Parti Gerakan Rakyat Malaysia (GERAKAN) believes with a forward-looking, radical and inclusive outcome-based approach, 10<sup>th</sup> MP will definitely be able to push our country towards becoming an economically competitive, environmentally sustainable, socially just and culturally inclusive Malaysian Society.

Thank you.

**Salam 1Malaysia: People First, Performance Now!**

**DATO' MAH SIEW KEONG**  
**GERAKAN NATIONAL VICE PRESIDENT**  
**Cum CHAIRMAN OF CENTRAL BUREAU ON ECONOMIC**

