

EXECUTIVE SUMMARY

THIRTEENTH MALAYSIA PLAN

2026-2030

MELAKAR SEMULA PEMBANGUNAN

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Foreword

The Thirteenth Malaysia Plan, 2026-2030 (Thirteenth Plan) with the theme **Melakar Semula Pembangunan** is the new resolve of the Government through a solid and comprehensive planning in refining and translating the grand aspiration of the **Ekonomi MADANI**. The Thirteenth Plan will serve as the beacon of change, to assist the *rakyat* in facing increasingly complex and pressing challenges, particularly viewed from lenses of the shifts in global economic and geopolitical landscapes, rising cost of living, sluggish wage growth, transition towards aged nation, degradation of environmental quality and the relentless harsh impacts of climate change.

The Thirteenth Plan is not an ordinary Government plan, instead it is a manifestation of the aspiration of the *rakyat*, anchored on the Maqasid Syariah principles. As such, efforts to raise the floor in elevating the living standards of the *rakyat* that fulfil the humane rights will be prioritised. In realising this aspiration, a social system that ensures a decent and dignified life will be built not only focusing on access to and attainment of material wellbeing, but also emphasising on the spiritual foundation, *insaniah* values and intellectual excellence of every *rakyat*.

Good governance, which is transparent, timely and thorough, anchored on MADANI principles is a prerequisite in ensuring moral and political responsibilities are shouldered with utmost accountability. Effective governance is a key administrative imperative that must not be viewed merely as a policy complement, but as a vehicle to ensure that the wealth of the nation is distributed fairly and equitably to the *rakyat*, regardless of background.

In attaining a developed nation status by 2030, it is a must for the economic growth to be propelled in developing the country, as in raising the ceiling. Hence, efforts will be focused on advancing economic complexity

through the shift to value creation based on digitisation and artificial intelligence. Culture of innovation will also be nurtured in diversifying the production of high-value “Made by Malaysia” products. This aspiration will be supported through talent development initiatives across diverse fields, ranging from science and technology to arts and creative. This development agenda will also uphold the environmental sustainability commitments, symbolising the bonding and pledge of the nation to protect the earth as entrusted by the God and the future generations.

Apart from strengthening domestic development, Malaysia continues to expand its presence at the international stage in the pursuit to realise the aspiration of becoming a leading economy in the Southeast Asia. In this regard, the nation must stand out as a main destination for quality and high-value investment, including in artificial intelligence, semiconductors and renewable energy industries. The steadfast commitment of the Government to drive the global Islamic economy will be sustained through the expansion of Islamic finance products and the strengthening of the halal industry. International cooperation ties will also be intensified to explore new markets and broaden access to the global market.

I would like to extend my utmost appreciation to all parties who have tirelessly contributed to the formulation of the Thirteenth Plan. Although the journey was challenging—often testing the resolve and thought—this planning was successfully developed through collective wisdom, consultation, and consensus involving all stakeholders. It stands as a clear testament of our shared devotion to this beloved nation. Nevertheless, it must be emphasised that a plan of this magnitude can only take shape and be realised through the ideas, sweat, energy, cooperation, and collective strength of all stakeholders and ministries, working in synergy and embodying the true spirit of teamwork. This is the true spirit of the MADANI.

In conclusion, let us together march with willpower and determination in making the Thirteenth Plan agenda a success. Insha-Allah, with steadfast efforts and dedication to restructure national development in its shape and form, I believe this aspiration will carve a new history and deliver glorious success in uplifting the dignity, thereby creating a dignified and renowned civilisation.

ANWAR IBRAHIM
Prime Minister
Putrajaya

31 July 2025



Introduction

The Thirteenth Malaysia Plan, 2026-2030 (Thirteenth Plan), with the theme ‘**Melakar Semula Pembangunan**’, represents continuous commitment of the Government in realising the aspirations of the Ekonomi MADANI. The national development for the upcoming five years will be based on a comprehensive transition towards digitalisation and advanced technologies, particularly artificial intelligence (AI), as well as the development of a social system anchored on *insan* MADANI with a united society under the whole-of-nation approach. The restructuring of the economy based on technology and the establishment of a strong social system are the main elements in building a sovereign and dignified nation-state. This transition requires integrated planning and action to boost economic growth akin to raising the ceiling, uplift the living status of the *rakyat* akin to raising the floor and strengthen service delivery towards excellent governance.

Efforts to advance the economy will be intensified by accelerating structural change, propelling inclusive and sustainable growth, enhancing balanced development among regions, strengthening development of rural areas as well as expanding economic integration at the global level. In addition, living status of the *rakyat* or social mobility will be enhanced to empower the *rakyat* in addressing the burden of the cost of living, reengineer social system anchored on *insan* MADANI and improve quality of life. In establishing excellent governance, MADANI administration will focus on efforts to strengthen integrity and accountability, enhance the efficiency of public service delivery as well as improve fiscal management. These efforts will contribute towards a better livelihood of the *rakyat*, healthy planet as well as sovereign and dignified nation that is recognised at the global stage.

Macroeconomic Highlights, 2021-2025

The world economy and trade recorded strong growth, despite facing a complex and dynamic environment during the 2021 to 2024 period. Global economic growth expanded at 4.2% per annum, driven by stronger performance of emerging markets and developing economies at 5% per annum. High demand for goods and commodities from this economic group also contributed to boost world trade growth at 5.3% per annum. In addition, world inflation increased at 6.4% per annum, mainly due to rising commodity prices and geopolitical conflict which disrupted global supply chains. World economic growth is expected to moderate in 2025, due to continued geopolitical uncertainty and tariff war initiated by the United States (US).

During the first four years of the Twelfth Plan, national gross domestic product (GDP) grew at 5.2% per annum. This growth was driven by domestic demand, particularly the private sector spending. On the supply side, growth was driven by the services, manufacturing and construction sectors. The labour market improved with the unemployment rate returned to full employment, while inflation remained manageable at an average rate of 2.5% per annum during the 2021 to 2024 period and moderated further to 1.2% in May 2025. The gross national income (GNI) per capita increased to RM54,793 or US\$11,974 in 2024, compared with RM42,838 or US\$10,191 in 2020. The implementation of the Ekonomi MADANI framework during the second half of the Twelfth Plan contributed to the strong economic achievements.

Opportunities and Challenges

Large-scale changes at the global level or mega trends will significantly impact, not only economic growth, but also the wellbeing of the *rakyat*. Changes in the dominance and landscape of economic blocs, uncertainties in world trade policies, disruptive technology developments, shifts in demographic structure and the planetary health crisis are potential threats that need to be addressed. However, at the same time, these mega trends also create opportunities that can be leveraged by the country. The tariff war initiated by the US in 2025 exerts pressure to the world and should be addressed strategically in reducing its impact to the economy. The country still faces domestic issues and challenges, such as slow structural change of the economy, low level of quality investment, slow adoption of technology, limited fiscal space, high dependency on imports as well as inefficient labour market. Low social mobility and the climate change crisis also impact the wellbeing of the *rakyat*.

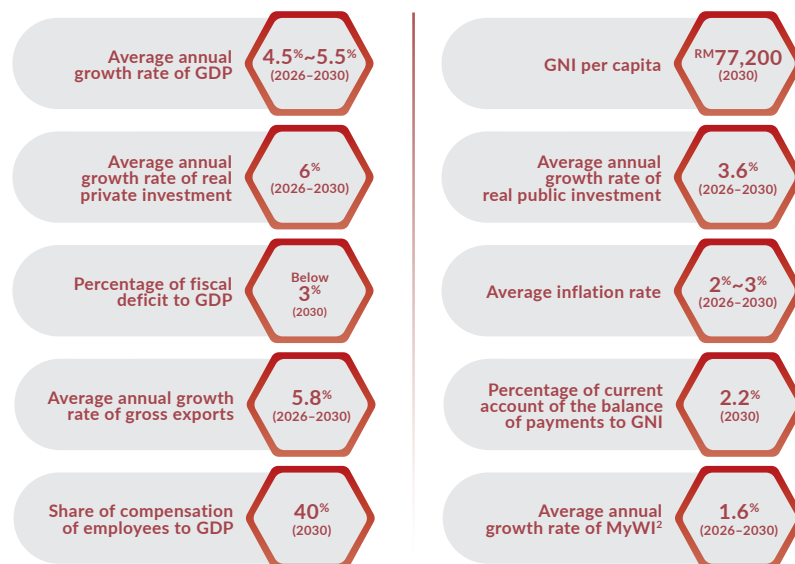
The national economic growth prospect is closely related to the global economic environment, which is expected to moderate during the Thirteenth Plan period due to various challenges. Based on projection by the International Monetary Fund, the world economic output is expected to increase at 3.1% and trade at 3% per annum during the 2026 to 2030 period. This growth will be driven by emerging markets and developing economies at a rate of 4% per annum. Rapid economic growth, particularly in South America, Africa, the Middle East and the Eastern Europe will create new trade and investment opportunities at the global level. Reciprocal measures by other countries following the imposition of trade tariffs by the US are expected to affect the world trade. In addition, ongoing geopolitical tensions, such as between Russia and Ukraine as well as Israel and Palestine, and the uncertainty of conflicts between India and Pakistan as well as Iran and Israel are expected to disrupt global supply chains as well as increase costs of production and prices of goods.

Towards Malaysia 2030

The Thirteenth Plan is a continuation of the Ekonomi MADANI policy, which was introduced during the Mid-Term Review of the Twelfth Plan. The focus of the Thirteenth Plan will be anchored on the three main thrusts of the Ekonomi MADANI framework, namely raising the ceiling, raising the floor and strengthening good governance. Efforts to raise the ceiling will be focused on restructuring the economy towards positioning Malaysia among the leading consumption powerhouses in the world. The initiative to raise the floor will emphasise on improving the living status of the *rakyat* towards achieving a decent life anchored on *insan* MADANI. Strengthening of good governance will be focused on enhancing integrity and accountability aspects as well as increasing the efficiency and effectiveness of service delivery. In realising the aspirations of the Ekonomi MADANI, policy priorities and strategies of the Thirteenth Plan are formulated by taking into account opportunities from mega trends and domestic challenges that affect the economic prospects of the country. In addition, digital transformation and the use of AI technology will serve as the foundation in implementing priorities and strategies of the Thirteenth Plan towards positioning Malaysia as one of the main AI nations in the world.

Macroeconomic Targets

A total of 10 macroeconomic targets are set in the efforts to reshape development by propelling economic growth, enhancing the wellbeing of the *rakyat* and strengthening good governance during the Thirteenth Plan period, as follows:



National Economic Prospect

Economic prospect for Malaysia during the Thirteenth Plan period will be influenced by development in the global environment as well as implementation of socioeconomic policies and strategies. Uncertainties in the US trade policy and reciprocal actions by other economies are expected to affect Malaysia during the first half of the Thirteenth Plan period. In this regard, the national potential output¹ is expected to expand between 4.7% and 5.7% per annum, supported by higher multifactor productivity growth. GDP growth is targeted between 4.5% and 5.5% per annum, driven by domestic demand, particularly private consumption and investment as well as supported by the external sector that will remain positive. The services, manufacturing and construction sectors will continue to be the main sources of growth, contributed by the transition to a value creation-based economy. This growth is also driven by the implementation of policies and strategies, particularly the New Industrial Master Plan (NIMP), National Energy Transition Roadmap (NETR) and National Semiconductor Strategy (NSS) introduced during the first two years of the Ekonomi MADANI implementation. This projected growth will enable Malaysia to achieve GNI per capita of RM77,200 in 2030 and surpass the threshold value of the high-income economy.

¹ Refers to the maximum level of output that an economy can sustain without causing inflationary pressures.

² Refers to the Malaysian Wellbeing Index.

Raising the Ceiling: Accelerating Structural Change of the Economy

The economic structure of the nation has transitioned from an agricultural-based to industrial and services, moving towards a value creation-based economy. In expediting this transition, emphasis will be given on strategies to advance economic complexity³, strengthen growth that is inclusive, sustainable and balanced as well as expand trade networks at the global level. All these strategies will contribute towards achieving the aspiration of Malaysia to become a high-income nation by 2030 and among the 30 largest economies in the world, ten years after the implementation of the Ekonomi MADANI.

Advancing Economic Complexity

Emphasis will be given on efforts to advance economic complexity through the creation of more high-value 'Made by Malaysia' products and services. In this regard, efforts will be undertaken to strengthen the ecosystem that include the adoption of advanced technology and digitalisation, increase research, development, commercialisation and innovation (R&D&C&I) activities and productivity as well as strengthen competitiveness and global networks. Focus will also be given to increase quality investment, improve business environment and empower talent.

Efforts to enhance the adoption of advanced technology and digitalisation will be intensified through the implementation of the National Science, Technology and Innovation Policy, the National Fourth Industrial Revolution (4IR) Policy and the Malaysia Digital Economy Blueprint. Measures to develop a comprehensive AI ecosystem based on cutting-edge technology will be implemented towards positioning Malaysia as an inclusive and sustainable AI nation. In this regard, the Pelan Tindakan AI Kebangsaan 2030 will be introduced. The R&D&C&I investment model will be improved to increase high-value research as well as the creation and commercialisation of intellectual property (IP) through the provision of research facilities and targeted incentives. In addition, the national productivity growth will continue to be increased by strengthening the ecosystem, which include aspects of policy and governance improvements, financing coordination and talent development.

Measures will be undertaken to strengthen an investor-friendly ecosystem to attract higher quality investment, particularly in supporting production of 'Made by Malaysia' products and services. Private investment will be enhanced to encourage more foreign and domestic investment in high growth high value (HGHV) industries and high-impact strategic sectors. The shift towards knowledge-based private investment will be accelerated through the provision of more targeted and competitive incentives as well as alternative financing. In addition, investment in potential industries to generate long-term value that adopt environmental, social and governance (ESG) principles will be strengthened to broaden access to domestic and global markets. These efforts are expected to increase private investment growth at 6% per annum, with an average value of RM417.9 billion per year and continue to be the main driver of investment during the Thirteenth Plan period.

Public investment, which comprises development expenditure by the Federal Government, state governments, local governments, statutory bodies and non-financial public corporations, is expected to increase at 3.6% per annum or an average of RM112.9 billion per year during the Thirteenth Plan period. A total of RM430 billion will be allocated in this plan period to finance the implementation of the Federal Government development programmes and projects. The projects that will be implemented include infrastructure, infostructure, public transportation, construction of schools, hospitals and affordable housing projects as well as flood mitigation and capacity building programmes. Investment in the national development will also be supported through the implementation of projects by government-linked companies, including the Government-linked Enterprises Activation and Reform Programme (GEAR-uP) under the government-linked investment companies with an allocation amounting to RM120 billion. In addition, the implementation of the development projects under the public-private partnership (PPP) will be enhanced, involving private sector financing projected at RM61 billion during the Thirteenth Plan period.

The development of future-ready talent across the learning continuum will be intensified to produce creative and innovative skilled talent in accelerating economic

³ Refers to the ability of a country to produce and export a variety of high-value products and services that are more complex and sophisticated with a high level of knowledge and skills.

transformation. This talent will be nurtured as early as at the primary school level by giving exposure to Science, Technology, Engineering and Mathematics (STEM) -based activities as well as digital skills, including AI. Academic programmes in higher education institutions will be strengthened in line with industrial needs, particularly for the HGHV industries and high-impact strategic sectors. In this regard, Technical and Vocational Education and Training (TVET) programmes will also be mainstreamed to support industrial talent needs, including in strategic investment locations. The implementation of the Academy in Industry programme will be intensified to increase local workforce participation and certification. These efforts are expected to increase the average growth of labour productivity at 3.6% per annum during the Thirteenth Plan period.

Propelling Inclusive and Sustainable Growth

Inclusive and sustainable growth will be propelled by advancing economic complexity in the HGHV industries and high-impact strategic sectors. The implementation of strategies and initiatives under the NIMP, NETR, NSS, Natural Gas Roadmap as well as the Hydrogen Economy and Technology Roadmap will be intensified to support efforts in creating more high-value 'Made by Malaysia' products and services. In this regard, focus will continue to be given in exploring new sources of growth, such as industries within the energy transition as well as the green economy, blue economy, orange economy and circular economy. In addition, the roles of micro, small and medium enterprises (MSMEs) and the third sector will be empowered to increase contribution to socioeconomic development.

The services sector development will continue to be intensified, focusing on strengthening of the existing strategic industries and exploring of new higher-value industries. The tourism industry will be enhanced through the development of high-value and sustainable tourism products and destinations, among others through the establishment of potential tourism investment zones. In addition, the development of other strategic industries will include efforts to revitalise the global services industry, enhance the Islamic financial services

industry, strengthen the halal industry and intensify the efficiency of the retail and logistics industries. The local creative industry or orange economy will be invigorated through the production of local creative works with high commercial value, including those based on arts, cultural and heritage assets, in line with the aim in making Malaysia a regional and global market leader.

The green economy development will be focused on implementing strategies and initiatives under the NETR, among others by exploring electricity generation using nuclear energy, expanding the use of hydrogen as fuel as well as implementing carbon capture, utilisation and storage (CCUS) initiatives and facilitating carbon trading. The competitiveness and flexibility of the energy market will be enhanced through the utilisation of renewable energy sources, such as energy storage and smart grids as well as hydro hybrid floating solar. In addition, the implementation mechanism of the circular economy will be improved by encouraging compliance to ESG principles, particularly through plastic sustainability as well as the management of scheduled and solid wastes. All these initiatives are expected to contribute to the growth of the services sector, which is targeted at 5.2% per annum during the Thirteenth Plan period.

The manufacturing sector will continue to be intensified through efforts in boosting the electrical and electronics (E&E) subsector, particularly by reforming the semiconductor industry to enhance the production of high value high technology (HVHT) products. Strategic collaborations with global semiconductor companies will be strengthened through technology and IP centric investment model. World-class local champions in creating integrated circuit design will be developed to increase production capabilities of HVHT products. Emphasis will be given to accelerate technology creation and production of 'Made by Malaysia' products, such as chemical products, pharmaceuticals and medical devices, high-value halal and agro-based products, sports equipment as well as electric and aerial vehicles. All these efforts are expected to support growth of the manufacturing sector at 5.8% per annum during the Thirteenth Plan period.

The development of the agriculture sector will be intensified to ensure food supply security and the production of high-value agricultural commodities. Large-scale agrofood production, including paddy cultivation will be increased through improvement in irrigation and drainage system, implemented through PPP. The production of livestock products, vegetables and fruits will be enhanced by developing quality crop varieties and breeds as well as animal feed. The capture fisheries and aquaculture industries will also be enhanced through the adoption of advanced technologies, including AI. In addition, the competitiveness of the agricommodity subsector will be strengthened by improving local sustainability certification standards for palm oil, rubber and timber as well as introducing standards for kenaf, cocoa and pepper. Rubber and oil palm replanting by smallholders will be expanded to increase productivity and income. These efforts are expected to contribute to the growth of the agriculture sector at 1.5% per annum during the Thirteenth Plan period.

Private sector investment in the non-residential building subsector, including the construction of the third terminal at Pulau Carey and Westports 2 container terminal as well as development of the Perlis Inland Port will support growth of the construction sector, which is expected to grow at 5% per annum during the Thirteenth Plan period. The development of the third regasification terminal and construction of high-impact public transport infrastructure, such as the Penang Mutiara Light Rail Transit, the Sabah Pan Borneo Highway and the Sarawak-Sabah Link Road project will also underpin the growth of the construction sector. In addition, the construction sector will be modernised by prioritising the usage of advanced technologies, such as the Industrialised Building System and the Building Information Modelling in residential building construction, including the development of affordable homes and housing in Kota MADANI.

The mining and quarrying sector is expected to expand at 2.8% per annum, supported by increase in natural gas and crude oil production. In this regard, efforts to strengthen the natural gas supply industry will be undertaken to position Malaysia as a leading regional gas trading hub. In addition, efforts to accelerate the development of rare earth elements (REE) industry as a new source of growth will be given emphasis through international cooperation in developing local REE mining technology.

Focus will be given to scale up MSMEs in strategic high-impact industries through extensive involvement in supply chains and higher value-added activities. Efforts will be undertaken to accelerate digitalisation and adoption of ESG principles as well as provide sandbox platforms in enabling MSMEs to adapt to the changes in the market and technology. The whole-of-nation approach with stakeholder collaboration will be expanded to introduce disruptive business models in encouraging MSMEs to produce specialised products and services, based on customer needs. Efforts will also be intensified to provide comprehensive support for small and medium enterprises, such as export incentives as well as trade and investment promotions to enhance the capabilities and competitiveness of local companies in the global market.

Financing mechanisms for MSMEs will also be improved through sustainable financing methods, such as tiered financing and targeted financing. Bumiputera entrepreneurship programmes will be enhanced by providing continuous support to enterprises according to business development stages based on a relay race concept. Focus will also be given on efforts to enhance the capabilities of the third sector in driving sustainable development of the social economy by strengthening financial capacity and capability as well as participating in the inclusive business model. Market access through the 'Buy Social' campaign will be expanded to increase the visibility of the third sector.

Enhancing Balanced Regional Development and Strengthening Rural Development

Emphasis will be given in optimising the economic development potential of less developed and rural areas to enhance balanced development between regions. In this regard, focus will be given in expanding access to basic infrastructure and services to attract more investment in the rural areas and accelerate economic integration, including in Sabah and Sarawak. In addition, the efficiency of urban development and management will be given focus to address the challenges of urban sprawl and accelerate urbanisation in land settlement areas. Sustainable, smart and inclusive urban development based on the concept of transit-oriented development zones will also be expanded. The competitiveness of communities in settlement areas of the Federal Land Development Authority (FELDA) and the Federal Land Consolidation and Rehabilitation Authority (FELCRA), as well as the regional development authorities (LKWJs), will be increased through investment in education and TVET, particularly for the second and third generations.

Efforts will be undertaken to intensify economic activities through the development of rural investment hubs that leverage geospatial intelligence and big data analytics. In addition, the development of corridors and specialised production hubs will be explored to leverage the local economic potential, such as the Kerian Integrated Green Industrial Park, the Kulim Hi-Tech Park, the Kota Kinabalu Industrial Park and halal industrial parks. The development focus will also be given to attract foreign investors in HGHV industries and high-impact strategic sectors, explore new sources of growth outside the Klang Valley, Pulau Pinang and Johor as well as expand productivity programmes based on locality.

Expanding Trade Networks at the Global Level

The engagement at the international level is crucial for Malaysia to attract investment into strategic sectors and strengthen cooperation with trading partners to enhance economic growth. In this regard, global trade networks will be expanded to strengthen economic integration, increase production and competitiveness of 'Made by Malaysia' products and services, explore new

markets as well as intensify the promotion of trade and investment. In ensuring the effective implementation of strategic trade policies and initiatives, the National Trade Blueprint 2.0 will be introduced. Efforts will also be intensified to address the challenges of tariff wars initiated by the US through continuous negotiations and facilitation of trade process.

Focus will be given to strengthen economic integration through participation and commitment of Malaysia in free trade agreements (FTAs) as well as the resumption of negotiation between Malaysia and the European Union. The involvement of Malaysia in existing FTAs, among others, include the Regional Comprehensive Economic Partnership, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the Malaysia-Türkiye Free Trade Agreement will be enhanced to expand markets and strengthen trade relations. In addition, participation of Malaysia as a Brazil, Russia, India, China and South Africa partner country and as a member of the Association of Southeast Asian Nations (ASEAN) will continue to be leveraged to reduce dependency on existing trade partners. New markets, such as the countries in South America, Africa, the Middle East and Eastern Europe will also be explored to expand access to global market that will boost trade growth. Trade cooperation with subregional countries through the Indonesia-Malaysia-Thailand Growth Triangle and the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area platforms will be strengthened. In addition, the development of the Johor-Singapore Special Economic Zone will be enhanced to expand economic and investment cooperation with countries in the region.

Efforts will be amplified to reduce reliance on imported goods by increasing local production. The diversification policy on sources of food imports and agricultural inputs will also be improved to reduce dependency on certain countries. In this regard, the production of paddy and other food crops, fisheries and livestock will be increased to improve the self-sufficiency ratio of the nation. A mechanism to establish the sustainability of imported products will be developed to ensure resilience of downstream industries. Emphasis will also be given on

commercialisation of research and development outputs to enhance the capacity of local companies, including in the digital economy, food processing, pharmaceuticals, fast-moving consumer goods and the defence industry to participate in export markets.

These efforts will increase gross exports growth, estimated at an annual rate of 5.8% during the Thirteenth Plan period. Based on the strategy to reduce import dependency, gross imports are projected to moderate at 6.1% per annum, compared with 14.4% during the first four years of the Twelfth Plan. In addition, the trade balance is expected to remain positive with a value of RM116.3 billion, while the current account of the balance of payments is projected to remain in surplus of 2.2% to GNI in 2030.

Raising the Floor: Uplifting Living Status of the Rakyat

Inclusive and responsive social development will continue to be prioritised in the efforts to uplift living status, akin to raising the floor. Efforts will be intensified in addressing the burden of the cost of living, reengineering the social system anchored on *insan* MADANI, enhancing quality of life as well as empowering targeted groups towards achieving a decent life. Implementation of strategies and initiatives in raising the floor during the Thirteenth Plan are expected to maintain the full employment level and increase the share of compensation of employees to 40% to GDP by 2030. In addition, these strategies and initiatives will also contribute towards achieving the 25th position in the Human Development Index and 60% of the female labour force participation rate, 10 years after the introduction of the Ekonomi MADANI.

Addressing the Cost of Living

Quality of life and income are key benchmarks in measuring the wellbeing of the *rakyat*, particularly relating to the cost of living, poverty and income inequality. Focus will be given on initiatives to reduce the costs incurred in obtaining food supplies, healthcare services, housing, education, utilities and public transportation in reducing the financial burden of the

rakyat. In addition, measures to increase income of the *rakyat* through wage increment and provision of targeted social assistance will be implemented. This two-pronged strategy will ensure that the cost of living is contained, while income and quality of life of the *rakyat* are enhanced.

Efforts to address the rise in food costs will be undertaken holistically by improving infrastructure, strengthening the food supply chain and retail sector as well as providing platforms to enhance price transparency. Enforcement measures will be intensified, while relevant acts will be reviewed to curb price manipulation activities. In addition, initiatives to offer goods and services, particularly food products at reasonable prices, such as the Program Jualan RAHMAH MADANI will be expanded to cover more suitable localities, especially in rural areas.

Healthcare services will be improved through the Rakan KKM initiative as an option for private companies to access paid services at public healthcare facilities. Health insurance or *takaful* products will also be introduced, enabling the *rakyat* to benefit from services of the private healthcare and Rakan KKM at reasonable prices. The construction and upgrading of government hospitals and clinics nationwide will also be implemented to provide better healthcare services.

The provision of more quality affordable housing for the low- and middle-income groups in urban areas will be enhanced through the implementation of the Program Residensi MADANI and the Program Residensi Rakyat. In addition, the rent-to-own scheme will be expanded and existing affordable home financing schemes will be improved to assist less capable *rakyat* in owning a house. Access to education and skills development, including TVET, will continue to be strengthened through targeted assistance on fee, tuition and scholarship to ensure students from low-income groups remain in the learning continuum. The education loan schemes will be reviewed to be more targeted, focused and sustainable. A single national platform will be established to facilitate the management of contributions and sponsorships.

The implementation of various targeted initiatives will be intensified to reduce transportation costs. These initiatives include improving the quality and frequency of public transport services, such as expanding routes as well as increasing the number of buses and trains. In addition, the Time of Use Scheme introduced in 2025 and energy efficiency incentives will be continued to encourage more efficient electricity usage and reduce the costs to consumers. The provision of basic utilities, such as clean water supply, electricity and broadband coverage in rural areas will also be expanded.

A comprehensive wage adjustment will be implemented, including periodic reviews of the minimum wage, determination of starting salaries for graduates, including TVET graduates as well as full implementation of the Progressive Wage Policy (DGP). The private sector will also be encouraged to offer minimum decent wage in ensuring workers earn salaries that commensurate with the cost of living. As for the public sector, the Government remains committed to continue the implementation of the Sistem Saraan Perkhidmatan Awam, which began in 2024 to ensure that the salaries of the civil servants attain a decent wage level. In addition, the Government is committed to continue implementing targeted programmes in addressing the cost of living pressures. This commitment includes the provision of cash assistance and the implementation of targeted subsidies, such as the Sumbangan Tunai Rahmah (STR), the Sumbangan Asas Rahmah (SARA) as well as welfare assistance schemes for children, senior citizens and persons with disabilities (PWDs). In this regard, the identification of target groups will be improved, including through the net disposable income approach.

The design and implementation of income-generating programmes, such as the Inisiatif Pendapatan Rakyat, the Program Pemerdayaan Ekonomi Komuniti Bandar and the Skim Pembangunan Kesejahteraan Rakyat will be streamlined to enhance effectiveness in addressing poverty. Entrepreneurship programmes will continue to be strengthened by enhancing skills training, technology adoption and digitalisation as well as financial supports.

A more innovative alternative sources of financing, such as social impact funds, Islamic social financing and corporate social responsibility will be explored and expanded.

Reengineering Social System Anchored on *Insan MADANI*

Building of a nation-state that upholds sovereignty and dignity requires the development of a strong social system anchored on *insan MADANI* and national identity. In this regard, emphasis will be given on efforts in nurturing the *rakyat* with spiritual values, humane aspects and a strong self-identity as well as building a just, harmonious, respectful and united society. The development of *insan MADANI* will focus on reforming the education system and instilling the spirit of nationalism. The creation of a just and progressive society will emphasise on efforts to strengthen integration and unity, promote goodwill and foster a culture of volunteerism.

Education reform will serve as the backbone in instilling humane aspects, encompassing *insaniah* and ethical values as well as social and societal relations. This reform will focus on improving educational outcomes by increasing the quality of teaching and learning content, raising competencies of teachers and strengthening governance as well as enhancing investment in education across the learning continuum. In this regard, preschool education will be made compulsory at the age of five, while primary education will begin at the age of six. The adoption of the national preschool curriculum will be made mandatory for all early childhood education institutions. In addition, in primary schools, the English language will be part of the language of learning and communication for level one students and the learning of additional languages will be expanded. Focus will also be given to encourage learning in STEM and TVET streams as an alternative pathway for students.

The competency and efficiency of educators will be enhanced through improvement in the mechanism for recruitment of teachers from various open sources as well as introduction of a continuous teaching professional

development programme. In addition, the revision of promotion system for teachers and a feasibility study on cross-placement and -mobility between various professions will be conducted to provide a more competitive career pathway. The restructuring of roles and functions of agencies will be implemented to centralise education governance of preschool to secondary school, as well as pre-university to higher education in improving effectiveness of education delivery. Measures will be undertaken to enact a new act related to early childhood education, strengthen the regulatory mechanism for alternative education and implement a pilot project in granting autonomy to universities. Investment in education will also be increased to improve educational facilities and sponsorship.

Efforts to enhance the inculcation of *adab*, spiritual values and humane aspects, including based on the principles of Maqasid Syariah as well as reinforce the spirit of patriotism will be intensified to develop *insan* MADANI. In this regard, appreciation of the Rukun Negara and the Federal Constitution will be strengthened to ignite the spirit of nationalism. Integrated training modules that combine nationhood components and basic military training will be improved to foster strong self identity. The production of creative works and content that showcase patriotism and national identity will also be intensified.

The implementation of more comprehensive social integration and interaction programmes will be enhanced and governance related to unity will be strengthened to develop a just and progressive society. Programmes and initiatives such as the Sejahtera Komuniti MADANI, the Kembara Perpaduan Malaysia MADANI, the Program Flagship Semarak Perpaduan as well as the Sekolah Angkat MADANI will be expanded to ignite the spirit of nationalism among the *rakyat*. In addition, a harmony charter of Malaysia will be developed as the main reference to strengthen inter-religion and inter-racial relations and harmony.

The role of stakeholders, including local leaders, media practitioners and civil society organisations (CSOs) will be empowered to serve as agents of unity. Participation

of the *rakyat* in voluntary and sports activities will be intensified to inculcate the spirit of unity and solidarity. The excellence of national athletes at the international level will continue to be enhanced to uplift the image of the country and foster a sense of pride among the *rakyat*. In addition, effective diplomacy and international relations will be intensified to strengthen the position and positive image of Malaysia in the global arena.

Enhancing the Quality of Life of the Rakyat

Access to quality basic needs, such as food, shelter, education, employment and healthcare services with healthy environment as well as a robust safety and defence system, is crucial in ensuring a decent living and strengthening the wellbeing of the *rakyat*. In this regard, the quality of life of the *rakyat* will be enhanced through efforts to strengthen food security, implement housing, healthcare and labour reforms, safeguard planetary health, enhance security and defence as well as prepare for an aged nation. Food security will be fortified by boosting local food production, diversifying countries of import sources and strengthening the food supply chain. Efforts will also be focused on increasing access to nutritious and balanced food to improve the health of the *rakyat* and address malnutrition issues, particularly among children.

Reform of the healthcare financing system will be implemented to provide better services options for the *rakyat* and ensure inclusive and sustainable national healthcare services. Emphasis will be given on strengthening primary healthcare and prevention of non-communicable diseases. The digitalisation of health information management will be enhanced through the development of a data-sharing platform between the public and private sectors as well as the outsourcing of electronic medical record systems that adopt AI technology. In addition, the security of domestic medicine and medical devices will be strengthened to ensure national preparedness in facing global health crises and reduce dependency on imported products.

Housing reform will focus on increasing the supply of quality, liveable and inclusive houses, improving access to financing as well as strengthening the efficiency of housing regulation and management. Efforts to empower communities in rural areas and settlement schemes, including in Sabah and Sarawak, will be implemented through the improvement of infrastructure and basic facilities, social amenities as well as housing. The construction and upgrading of basic facilities, such as schools, health clinics, community centres, sports facilities and multipurpose halls as well as the provision of infrastructure and broadband coverage will be expanded. In addition, capacity and capability enhancement programmes for target groups, particularly youth and rural entrepreneurs as well as second and third generations in the FELDA, FELCRA and LKWs will be intensified. The development of smart and sustainable cities will be strengthened to ensure an inclusive urbanisation process and meet the needs of the *rakyat*. In this regard, the Kota MADANI in Putrajaya will be developed as a pioneer model for the future urban development, providing social amenities and economic opportunities within an integrated ecosystem.

Efforts will continue to be enhanced to safeguard the planetary health, among others by improving climate change and environmental management, strengthening flood mitigation and adaptation as well as preserving and conserving biodiversity. The implementation of the circular economy will be invigorated and waste management will be strengthened through improvement in policy, enhancement of regulation and implementation mechanisms as well as provision of modern infrastructure. The construction of waste-to-energy plants will be expanded through public-private partnerships to support the policy of prohibiting the opening of new landfill sites. In addition, centralised coordination of waste management under a dedicated agency will be explored. Alternative method for waste management using the refuse, reduce, reuse, recycle and recovery approach will also be promoted.

Initiatives to reduce disaster risks will also be strengthened, including by improving the early warning system and accelerating the implementation of the Rancangan Tebatan Banjir (RTB) projects. In this regard, collaboration with all stakeholders, including state governments and local authorities will be enhanced to ensure the successful implementation of the RTB projects. In addition, the public safety and national defence will be strengthened by improving the readiness of security and defence assets, empowering capabilities and competencies of personnel as well as enhancing border control. The management of criminal offenders and undocumented migrants will be improved and strategic cooperation among various enforcement agencies will be intensified to enhance public safety and security. Efforts will be continued to combat cybercrime and the related threats by improving infostructure and infrastructure as well as strengthening enforcement and legislation.

The preparation towards an aged nation will be strengthened to ensure Malaysia is ready in various aspects, particularly in the management of economy and fiscal, development of talent, skills and education, expansion of social protection as well as strengthening of health and long-term care services. This preparation will also consider the need to review acts related to retirement age and enact new legislation concerning re-employment to increase the participation of older workers in the labour market. A more inclusive social protection system will be introduced and more comprehensive programmes and support services for older persons will be expanded. In addition, more age-friendly infrastructure will be provided to meet the requirements of population dynamics.

Labour market reform will also be accelerated to create a more dynamic, competitive and sustainable employment ecosystem to increase income. In this regard, the role of the National Wages Consultative Council will be expanded to include all matters pertaining to salaries. Measures will be undertaken to reduce reliance on

foreign workers by setting the number of foreign workers to total workforce at an average of 10% in 2030 and up to 5% in 2035. The recruitment rate by sector will be based on the needs for workers in the dirty, dangerous and difficult category. In addition, the Multi-Tier Levy Mechanism will be implemented in 2026. This measure will create employment opportunities and enhance skills of local talent, leading to better salaries. Talent development programmes will be improved with active industry involvement to match labour supply and demand. Worker protection and welfare will also be enhanced through improvements in management of savings for retirement and strengthening of occupational hazard protection schemes.

Empowering Target Groups

Social justice is the foundation for a sustainable and comprehensive economic growth to ensure no one is left behind from the national development progress. In this regard, focus will be given in increasing equitable opportunities to enable the *rakyat* to lead a better life. Implementation of the Bumiputera empowerment agenda will be intensified through the whole-of-nation approach to increase Bumiputera participation, ownership and control. In this regard, the Bumiputera empowerment units in all ministries as well as capacity building programmes and financing support of the Bumiputera-mandated agencies, state economic development corporations and LKWs will be strengthened. The standard of living of the Orang Asli community will also be enhanced by introducing an action plan for the development of Orang Asli and amending the Aboriginal Peoples Act 1954 [Act 134]. In addition, a customary council will be established to increase the leadership effectiveness of the Orang Asli community.

The socioeconomic development of the Anak Negeri Sabah and the Bumiputera Sarawak will continue to be strengthened through initiatives such as human capital empowerment, infrastructure and basic amenities improvement as well as the provision of support to

enable the development of Native Customary Rights land. The quality of life of Indian households, particularly the low-income earners will be enhanced through the implementation of initiatives and programmes based on the Malaysian Indian Blueprint and the Indian Community Action Plan. These initiatives include education, talent development, provision of career opportunities, financing facilities, entrepreneurship support as well as targeted programmes to improve infrastructure and basic amenities, including to repair houses. The socioeconomic development of Chinese households, particularly the low-income earners in the Kampung Baru will also be enhanced through the implementation of entrepreneurship and tourism activities based on the Kampung Baru Development Master Plan as well as the provision of support to upgrade public infrastructure and facilities.

Focus will also be given on efforts to improve the wellbeing of specific target groups, such as children, youth, men and women as well as the older persons and PWDs. Child development will focus on improving access to education, health and social protection. In addition, youth development will be strengthened through the enhancement of skills, talent and entrepreneurship as well as the introduction of a focused intervention mechanism and a comprehensive support. The roles and responsibilities of men and women in the socioeconomic development of the nation will be strengthened to create a more inclusive, progressive and balanced society. The involvement of PWDs will be increased through collaboration with the private sector in providing equal opportunities for this group to lead a more meaningful life. The family institution will also be strengthened through the inculcation of familial values and responsibilities among family members, particularly of the child towards the parents. The provision of parenting education as well as counselling and support services related to reproductive health will also be emphasised.

Strengthening Good Governance: MADANI Governance

Good governance is the pillar of national administration in ensuring equitable distribution of wealth to enhance the wellbeing of the *rakyat* and economic growth. During the Thirteenth Plan period, the MADANI Government will continue the efforts to strengthen integrity and accountability, increase efficiency of public service delivery as well as enhance fiscal management. The whole-of-nation approach, through collaboration between the *rakyat*, businesses, CSOs and governments, will be adopted to increase efficiency and effectiveness of public service delivery. Efforts to strengthen the good governance is expected to contribute towards achieving the aspirations of the Ekonomi MADANI for Malaysia to be in the top 25 of the Corruption Perceptions Index (CPI) and top 12 in the ranking of the IMD World Competitiveness Yearbook as well as reducing the fiscal deficit to be below 3% to GDP.

Strengthening Integrity and Accountability

The principles of integrity and accountability among civil servants, including Members of the Administration are among the important aspects in enhancing the efficiency of public service delivery as well as improving the confidence and trust of the *rakyat* towards the Government administration. In this regard, the implementation of initiatives under the National Anti-Corruption Strategy, 2024-2028 and the CPI Special Task Force will be intensified to address corruption issues and improve the position of the country in the CPI. The role of the Integrity Unit will also be strengthened to curb corruption in the public sector, with emphasis on initiatives based on behavioural insights approach towards developing civil servants with integrity and accountability.

Checks and balances mechanism in the public service will be strengthened to enhance accountability and transparency of the Government administration. In this regard, the monitoring and performance evaluation

mechanism of ministries will be streamlined through the introduction of outcome-based indicators that are aligned with selected macroeconomic indicators and direct reporting to the Prime Minister. The comprehensive monitoring approach and governance structure of the Thirteenth Plan will be further improved through the development of a monitoring system for the Pelan Pelaksanaan Dasar RMK13, known as MyRMK. This system will be integrated with other monitoring systems, such as under the Ministry of Finance, Implementation Coordination Unit, Prime Minister's Department (ICU, JPM), Unit Pantau MADANI (PMU), Performance Acceleration Coordination Unit (PACU) and Pusat SDG Negara (PSN). The performance of the Thirteenth Plan will also be monitored by the Cabinet as the highest level to ensure accountability and transparency in the implementation of development programmes and projects.

Enhancing the Efficiency of Public Service Delivery

The public service reform agenda will be implemented by improving service delivery based on the principles of ILTIZAM as well as strengthening the GovTech and the ecosystem of the social economy. Through the ILTIZAM, efforts will be intensified to reduce regulatory burdens, enhance governance and talent capacity of the public sector as well as restructure institutions. Mandatory reviews of regulatory instruments on a regular and periodic basis as well as the One In-One Out Policy will be implemented to ensure the effectiveness of these instruments. A guideline on regulatory burden deduction will be encouraged to be adopted at the state and local authority levels.

Efforts in improving legislation and enforcement will be implemented through the review of existing acts and enactment of new acts. The development of competency and expertise will be given emphasis to ensure civil servants remain relevant, competitive and responsive towards current needs. Institutional restructuring will also be intensified by implementing rationalisation of the government departments and agencies as well as government-owned companies in phases.

The strengthening of GovTech which focuses on adoption of advanced technologies including AI, enhancement of digital governance as well as capacity building will be intensified to create a digital government ecosystem that is transparent, agile and holistic towards becoming an AI nation. In this regard, the government digital transformation will continue to be strengthened through implementation of the Pelan Tindakan AI Kebangsaan 2030 to develop a digital society, economy and government. The enterprise architecture, which also encompasses creation of a secure cloud infrastructure will be developed to enhance digitalisation of government services. A single gateway will also be developed to better facilitate the *rakyat*, business community and government in accessing various services provided, including through the usage of MyDigital ID. Governance of digitalisation and development of digital talent will also be strengthened in improving the efficiency and effectiveness of public service delivery. Aspects of cyber security as well as data sharing and integration will continue to be emphasised to ensure a secured and trusted public service digitalisation ecosystem.

Efforts to create a comprehensive social economy ecosystem will be strengthened to mainstream the third sector in addressing socioeconomic issues of the *rakyat*. In order to ensure the development of a holistic ecosystem that fulfils current needs, a social economy policy will be developed and existing policies, acts and action plans related to the third sector will be reviewed. In addition, measures will be undertaken by rationalising agencies to centralise governance of the third sector in enhancing the effectiveness of the sector in the national socioeconomic development.

Strengthening Fiscal Management

Fiscal management will be strengthened in improving the fiscal space to support a sustainable economic growth. Good governance practices, based on accountability, transparency and efficiency under the Public Finance and Fiscal Responsibility Act 2023 [Act 850] will be adopted in public finance management. Government revenue collection will be enhanced through phased roll-out of the electronic invoicing system by 2026 to increase the digitalisation of tax collection. In addition, the expansion of the tax base under the Medium-Term Revenue Strategy, such as the implementation of the global minimum tax and the periodic review of the sales and services tax will be undertaken to enable the provision of more facilities and assistance for the wellbeing of the *rakyat*. Expenditure efficiency will be improved through the implementation of a more targeted subsidies and assistance as well as prudent debt management.

Fiscal management efficiency will also be enhanced through a project management reform involving more systematic monitoring and evaluation. Cost control mechanism will be improved by incorporating key elements in cost calculation, including life cycle costs. The implementation of PPP projects will be rationalised by focusing on user-pay model to provide options of services for the *rakyat*. The implementation of all these fiscal consolidation efforts is expected to reduce the fiscal deficit to be below 3% and ensure that the debt level will not exceed 60% to GDP.

The Thirteenth Plan Framework













The Thirteenth Plan with the theme ‘**Melakar Semula Pembangunan**’, sets the socioeconomic development objectives through three dimensions, namely **High-Income and Sustainable Nation, Quality and Inclusive Lives** as well as **Sustainable Environment**. The theme is selected based on the various reforms to be introduced in the Thirteenth Plan to restructure the socioeconomic development of the nation. This restructuring has to be implemented taking cognisance of the needs to accelerate the transition to a value creation-based

economy in a sustainable environment as well as to strengthen spiritual and *insaniah* values in building a strong social system anchored on *insan* MADANI.

The formulation of the Thirteenth Plan is based on four pillars, namely Advancing Economic Complexity, Enhancing Social Mobility, Accelerating the Implementation of the Public Service Reform Agenda as well as Enhancing Wellbeing of the *Rakyat* and Environmental Sustainability. In this regard, comprehensive and significant strategies and initiatives under each of these pillars are aligned with the seven aspirations of the Ekonomi MADANI, as shown below:

The Thirteenth Malaysia Plan Framework, 2026-2030

The **Thirteenth Plan** framework is mapped to realise the Ekonomi MADANI aspirations

<div>EKONOMI MADANI <i>Memperkasakan Rakyat</i></div>		Theme: MELAKAR SEMULA PEMBANGUNAN		<div>RMK13</div>
		3 Dimensions		
Long-Term Goals & Objectives	<div></div> <div>High Income and Sustainable</div>	<div></div> <div>Quality and Inclusive Lives</div>	<div></div> <div>Sustainable Environment</div>	
	4 Pillars & 27 Priorities			
	A. Advancing Economic Complexity	B. Enhancing Social Mobility	C. Accelerating the Implementation of the Public Service Reform Agenda	D. Enhancing Wellbeing of the Rakyat and Environmental Sustainability
<div>Raising the Ceiling A Leading Economy in Asia</div> <div>Strengthening Good Governance Public Sector Reform</div> <div>Raising the Floor Uplifting of the Living Status of the Rakyat</div>	<div>1. Propelling of HGHV Industries and High-Impact Strategic Sectors Growth</div> <div>2. Strengthening of Green Economy</div> <div>3. Invigoration of Blue Economy</div> <div>4. Fortification of Food Security</div> <div>5. Strengthening of R&D&C&I Ecosystem</div> <div>6. Enhancement of National Productivity and Competitiveness</div> <div>7. Strengthening of Flood Mitigation and Adaptation</div> <div>8. Improvement of Public Transport Infrastructure Availability</div> <div>9. Scaling up MSMEs</div> <div>10. Empowerment of Third Sector</div>	<div>1. Education Reform</div> <div>2. Labour Market Reform</div> <div>3. Strengthening of Inclusive Development from a Multidimensional Perspective</div> <div>4. Elevation of the Socioeconomic Status of the Target Groups</div> <div>5. Balancing of Regional Economic Growth and Strengthening of Rural Development</div>	<div>1. Improvement of Government Service Delivery Based on ILTIZAM Principles</div> <div>2. Strengthening of GovTech towards Government Services Transformation</div> <div>3. Enhancement of Good Governance</div> <div>4. Project Management and Fiscal Reforms</div> <div>5. Strengthening of the Ecosystem of Social Economy in Mainstreaming the Third Sector</div>	<div>1. Building of a Nation-State</div> <div>2. Preparation towards an Aged Nation</div> <div>3. Health Reform</div> <div>4. Housing Reform</div> <div>5. Strengthening of Security and Defence</div> <div>6. Preservation of Planetary Health</div> <div>7. Strengthening of Disaster Management</div>
<div>1 Top 30 largest economies in the world</div> <div>2 Top 12 in global competitiveness</div> <div>3 Top 25 in the Corruption Perceptions Index</div> <div>4 Increase compensation of employees to 45%</div> <div>5 Top 25 in the Human Development Index</div> <div>6 Fiscal deficit below 3% to GDP</div> <div>7 60% female labour force participation rate</div>	<div></div>	<div></div>	<div></div>	<div></div>

Conclusion

The Thirteenth Plan, with the theme '**Melakar Semula Pembangunan**' is a commitment to restructure socioeconomic development in accelerating the national economic growth, uplifting the living status of the *rakyat* and strengthening good governance towards realising the aspirations of the Ekonomi MADANI. The national development during the Thirteenth Plan period will be supported by a comprehensive transition towards digitalisation and advanced technologies, particularly AI as well as the development of a social system anchored on *insan* MADANI, with a society that is equitable, harmonious, respectful and united. These efforts will accelerate the shift towards a value creation-based economy, enhance positive influence and image of the nation at the global stage as well as ensure the *rakyat* lead more prosperous lives and the environment is sustainable.



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