

Economic Developments

A Brief History

Development planning in Malaysia began in 1950 with the publication of the Draft Development Plan of Malaya. To date, a total of 27 development planning documents have been prepared, three of which are long-term plans and 26 are five year development plans. These include the Draft Development Plan of Malaya covering a period of six years * and the mid-term review of the five year development plans.

No	Plan Title	Duration	Date Tabled	Content	
				Chapter s	Page s
1.	Draft Development Plan of Malaya	1950-1955*	June 1950	4	174
2.	Progress Report on Development Plan	1950-1952	1953	N/A	N/A
3.	General Plan of Development (First Malaya Plan)	1956-1960	Oct 1956	N/A	N/A

4.	Second Five Year Plan (Second Malaya Plan)	1961-1965	1 Sep 1961	4	68
5.	Interim Review of Second Five Year Plan	1961-1965	Dec 1963	5	76
6.	First Malaysia Plan	1966-1970	25 Nov 1965	14	190
7.	MTR First Malaysia Plan	1966-1970	25 Jan 1969	9	135
8.	Second Malaysia Plan	1971-1975	25 Jun 1971	17	267
9.	MTR Second Malaysia Plan	1971-1975	20 Nov 1973	12	213
10.	Third Malaysia Plan	1976- 1980	5 Jul 1976	24	430
11.	MTR Third Malaysia Plan	1976- 1980	3 Sep 1979	18	253
12.	First Outline Perspective Plan (OPP1)	1971-1990	-	-	40
13.	Fourth Malaysia Plan	1981-1985	16 Mar 1981	24	414

14.	MTR Fourth Malaysia Plan	1981-1985	29 Mar 1984	17	424
15.	Fifth Malaysia Plan	1986- 1990	21 Mar 1986	23	568
16.	MTR Fifth Malaysia Plan	1986- 1990	23 Jun 1989	13	295
17.	Second Outline Perspective Plan (OPP2)	1991- 2000	17 Jun 1991	6	180
18.	Sixth Malaysia Plan	1991-1995	07 Oct 1991	17	467
19.	MTR Sixth Malaysia Plan	1991-1995	16 Dec 1993	9	272
20.	Seventh Malaysia Plan	1996- 2000	05 Jun 1996	23	744
21.	MTR Seventh Malaysia Plan	1996- 2000	22 Apr 1999	12	392
22.	Third Outline Perspective Plan (OPP3)	2001- 2010	03 Apr 2001	7	200
23.	Eighth Malaysia Plan	2001- 2005	23 Apr 2001	22	658

24.	MTR Eighth Malaysia Plan	2001- 2005	30 Oct 2003	13	485
25.	Ninth Malaysia Plan	2006- 2010	31 Mar 2006	27	587
26.	MTR Ninth Malaysia Plan	2006- 2010	26 Jun 2008	5 (Thrust)	128
27.	Tenth Malaysia Plan	2011-2015	10 Jun 2010	7	449
28.	Eleventh Malaysia Plan	2016- 2020	21 May 2015	10	389
29.	MTR Eleventh Malaysia Plan	2016- 2020	18 Oct 2018	15	411

Note: MTR - Mid-Term Review

Development Philosophy

The approach and philosophy of a national development planning considers:

- A country that practices open economic policy;
- A multi-ethnic state;
- A mixed economic system; and
- A federal state containing 13 states, and three federal territories.

Planning Horizon

Development planning in Malaysia consists of three levels that covers the long-, medium- and short-term as follows:

Long-Term Planning

- New Economic Model, 2011-2020
- Third Outline Perspective Plan (OPP3), 2001-2010
- Vision 2020, 1991-2020
- Second Outline Perspective Plan (OPP2), 1991-2000
- First Outline Perspective Plan (OPP1), 1971-1990

The long-term plans set the comprehensive thrusts and strategies to achieve the targets under the long-term national development agenda.

Medium-Term Planning

- Five-year development plans, such as the Eleventh Malaysia Plan (11MP), 2016-2020
- Mid-Term Reviews (MTR) of the five-year development plans

Medium-term planning covers five years based upon the framework set by the OPP. It is the main document for the implementation of the Government's development programmes. The five-year development plans

set the economic growth targets as well as the allocation ceiling for the public sector development program. In addition, it also outlines the role of the private sector.

The Mid-Term Reviews (MTR) are implemented in the middle of the five-year plans. The MTR aims to review the performance of macroeconomic and sectoral policy plans for the first two years of the Plan as well as to realign strategies to achieve the revised targets, if necessary. Under the Tenth Malaysia Plan, the two-year rolling plan approach was introduced to enable a more effective review of the prioritisation of programmes and projects based on the current financial position of the Government.

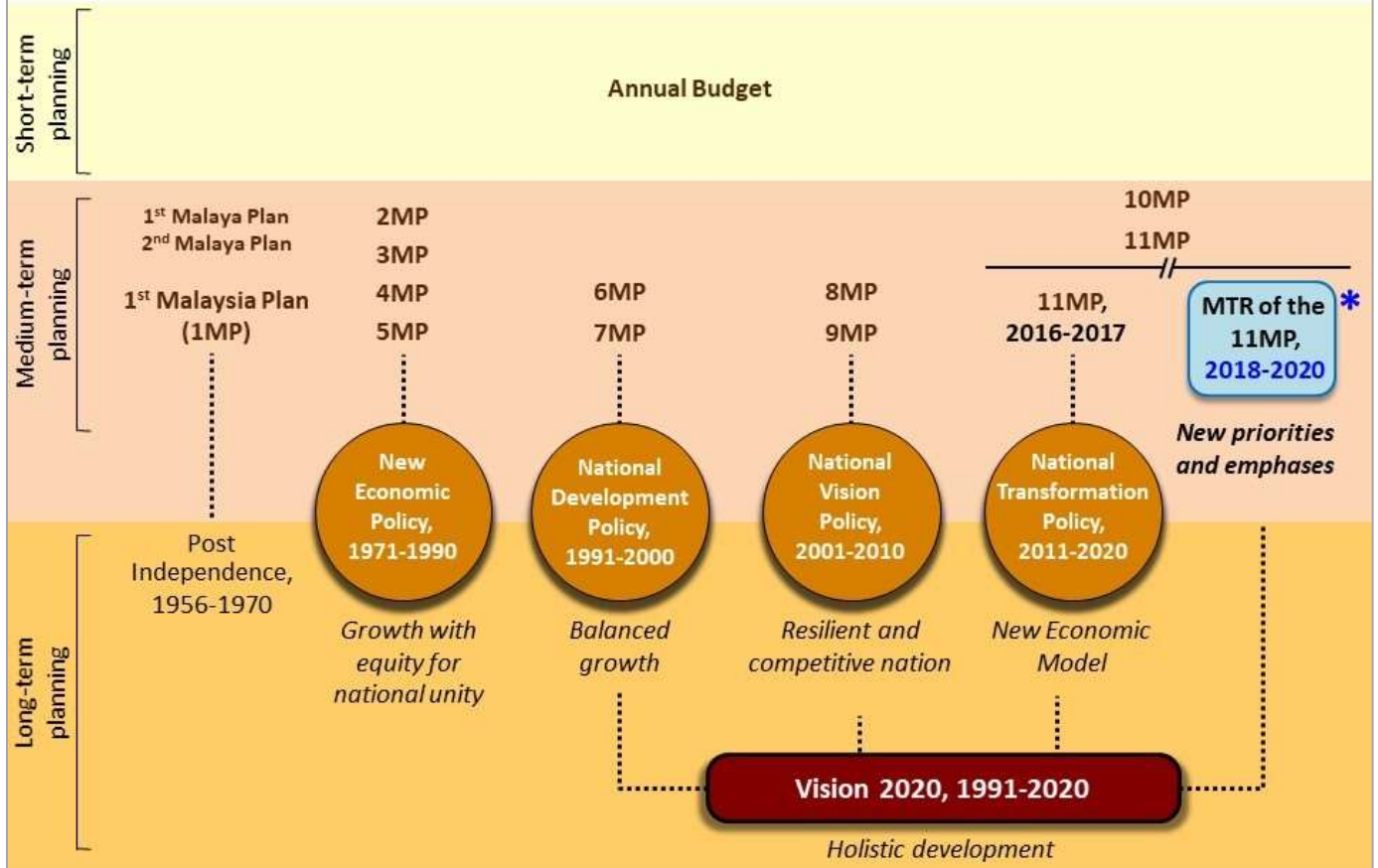
Short-Term planning

- Annual Budget

Short-term planning is in the form of the Annual Budgets prepared by the Ministry of Finance. The annual implementation of policies and strategies are aligned with the medium- and long-term plans. The annual budget preparation takes into account the views of all stakeholders including the private sector and non-governmental organizations through the budget dialogues. The annual development allocation is provided based on the list of development programmes and projects approved under the two-year rolling plan.

Overall, the national development planning horizon can be shown as in the exhibit below.

Systematic Planning In National Development Policy



* Pakatan Harapan Government takes over the administration after GE14, 2018 and sets new priorities