

FOR IMMEDIATE RELEASE

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**Khazanah's Authorized Comments on the New Economic Model ("NEM")
announcement by Tan Sri Dato' Azman Hj Mokhtar, Managing Director**

The first part of the NEM as outlined by the Yang Amat Berhormat Prime Minister today is above all else an honest diagnosis, a bold prescription and a realistic outline of an implementation framework. The aims of higher incomes, more inclusive growth and more sustainable prosperity are entirely spot-on. The thinking is an important part, but only the first part.

Most importantly, from hereon, there are two necessary conditions for success, both of which the Prime Minister is well aware of. First is the ability to implement effectively. Second the need to secure sufficient support and buy-in from the *Rakyat*. Both have, to an extent, been addressed this morning. First, a pragmatic and coherent implementation approach through an Economic Transformation Program framework, mirroring the process under the Government Transformation Program. Second is the adoption of a consultative approach in the proposed selection of the National Key Economic Activities. This inclusive approach is, we believe, entirely appropriate and will bear significant dividends in syndicating a national consensus. Taken together, while more and intense work will need to be done in the immediate months ahead, a clear and credible way forward has been laid out for the nation to rally together.

Khazanah, our companies and the various programs that we are driving will intensify our efforts further and consolidate under five thematic areas in support of the NEM. First, the ongoing work of organic improvements under the ten-year GLC Transformation Program. Second, the ongoing drive of GLCs on their journeys to become regional champions. Third, the development of investments in new economy and knowledge based sectors. Fourth, the development of further collaboration and co-investment combinations between GLCs and non-GLCs, both at home and abroad. And finally, continuing on the path of gradual and orderly divestments of non-core and non-competitive holdings. On its own and taken as a whole each of these are will contribute significantly to catalyze the structural transformation of the economy as demanded by the NEM. Khazanah looks forward to be able to play our part effectively on this brave and exciting journey.

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