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Khazanah's Authorized Comments on the 2nd Stimulus Package March 2009

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The RM60 billion package in its totality is sufficiently chunky to have an immediate and significant impact while the 80:20 (RM48bn:RM12bn) split between private sector/capacity building initiatives and social safety net measures is well balanced and well crafted.

For Khazanah and the companies in our stable, the stimulus package will intensify and accelerate the implementation of investment plans in high economic multiplier, strategic, service-oriented sectors including telecommunications, leisure and tourism, technology (including ICT, creative industries and sustainable development or "green" technologies), life sciences, healthcare and agriculture. The investments in these sectors in 2009 and 2010 by Khazanah and our major GLCs will total more than RM10 billion, with the potential to create an estimated 70,000 jobs by 2011.

These sectors with its higher emphasis on services and intellectual property content, represents the new growth engines for the nation and will support the Government's ongoing structural upgrade of the economy. The sectors and specific investments are by and large in new areas and hence are more catalytic in nature that will further spur additional private sector participation over time. Also worth noting that all these investment programs involve projects that are already "shovel-ready" as they are the product of various detailed sector studies that Khazanah has undertaken in all these sectors along with work on specific investment zones such as Iskandar Malaysia.

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