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## **MEDIA STATEMENT**

### **CONSTRUCTIVE FEEDBACK IS NECESSARY**

**PUTRAJAYA, 3<sup>rd</sup> MAY, 2016** – PEMANDU REFERS to the letter “Be inclusive to achieve vision” by Saleh Mohammed (The Star, April 28) and wishes to acknowledge the writer’s interest in the National Transformation Programme achievements. The writer’s comments were well received and we wish to express our gratitude for the constructive feedback provided.

In response, PEMANDU wishes to clarify our position against some of the concerns shared by the writer.

#### **1) High-income Status of GNI US\$15,000**

In 2010, the Economic Transformation Programme (ETP) estimated a trajectory towards 2020, with the purpose of setting a target for Malaysia in order to achieve high-income, developed nation status. In arriving at the high-income threshold of US\$15,000, the Government took the 2009 World Bank’s high income threshold of US\$12,195 and factored in its published historical global inflation rate of 2% estimated for high-income countries until 2020.

This is the high-income target that PEMANDU has set and we have not deviated from this target, despite the fact that this figure may rise or dip according to various economic permutations. Based on the current global macro-economic conditions, the high-income threshold for 2015 is estimated to be US\$12,303. With efforts to stabilise the currency and other efforts to strengthen the economy as narrated in RMK-11, Malaysia is still on course to achieving high-income by 2020.

#### **2) On BNM Annual Report 2015 vs. NTP Annual Report 2015**

We would like to qualify that the US\$10,110 per capita is PEMANDU’s estimate based on the World Bank Atlas method. The exact numbers will be published by World Bank in June 2016. According to the BNM Annual Report 2015, USD GNI per capita in 2015 is US\$9,291. PEMANDU’s estimate of GNI per capita in 2015 based on the Atlas method is higher at US\$10,110 per capita, because the Atlas method defined by the World Bank takes a 3 year average for the exchange rate, instead of a 1 year average for the exchange rate which would have been used by BNM. The World Bank’s Atlas Model provides a high income threshold that would position Malaysia relative to a global standard.

#### **3) On the NTP KPIs**

- i. The KPI formula is an objective measure of the NTP project achievements. Method 1 measures actual over target. Method 2 takes the method 1 score and caps achievements at 100%, so that outliers on the upside do not skew the overall score. Method 3 sets a more stringent requirement for a project to be classified green, which is full completion rather than 90% used in Method 1 and 2. The KPI tables are prepared automatically by an algorithm, hence resource wastage is not in question.
- ii. The Reducing Crime NKRA KPI of replacing MPVs is a functional KPI. We agree that this should be one of PDRM's standard tasks but we had also agreed with PDRM to include this as a KPI, to ensure strict adherence to this particular KPI, and to report publicly on the outcome.
- iii. The Accident Frequency Rate KPI for the EPP4: MRT project is the average from January to December 2015 and is calculated by the total number of reportable accidents against the total number of man hours worked. The number 2 is not the absolute number of how many accidents occurred within the months of January to December 2015. The justification for this KPI is to ensure that the safety aspects of any construction work is measured and reported.
- iv. All government projects are audited independently by the Auditor General. There are no exceptions and this is inclusive of projects under the NTP. Any issues would be captured in the Auditor General's report which is tabled to Parliament.

#### **4) On working with the likes of MIER and EPU**

We would like to reiterate the collaborative nature of the NTP work. Accredited institutions such as EPU have worked with PEMANDU on many occasions. At PEMANDU, there are institutionalised problem-solving meetings involving subject matter experts and accredited institutions to ensure that roadblocks in implementing the work are solved and syndicated with the highest levels of leadership.

Again, PEMANDU would like to extend our appreciation for the constructive feedback given by Saleh Mohammed.

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