

## FOREWORD



**WITH THE *CAPITAL MARKET MASTERPLAN 3*, I AM CONFIDENT THAT THE CAPITAL MARKET WILL CONTINUE TO PLAY AN IMPORTANT ROLE IN THE MALAYSIAN ECONOMY, ENABLING GREATER PROSPERITY, ENCOURAGING INCLUSIVITY, AND SUPPORTING THE SUSTAINABILITY OF THE MALAYSIAN ECONOMY.**



Over the next decade, Malaysia will transition into a high-income nation, even as geopolitical factors and the global response to the pandemic create headwinds and disruption. However, income is only one measure of a developed economy; Malaysia also needs to ensure that its economic growth is sustainable and shared equitably by all.

The Government announced our 6R National Economic Recovery Strategy in May 2020, as the world was being roiled by the pandemic, impacting supply chains and markets equally. To date, the actual and potential impacts are still being calibrated. Against this backdrop, the first five stages of the 6R strategy have provided much support to all Malaysians and stabilised the economy against the fallout from the pandemic. With the vaccine rollout underway, we will soon enter the final stage of the 6R strategy, that is, Reform.

The *12<sup>th</sup> Malaysian Plan*, which will be launched later this year, will set the agenda for the longer-term reforms of the Malaysian economy that will underpin the next stage of our economic development. The aim is to drive economic growth and at the same time, ensure that the nation's prosperity is inclusive, for all Malaysians today, and sustainable for future generations. The priorities of the *12<sup>th</sup> Malaysian Plan* would include creating a conducive environment for domestic businesses, accelerating the shift towards a greener economy, developing industries with high value-add to the economy, eradicating poverty and reducing socio-economic inequality.

Within this context, the capital market plays an important role to support the structural upgrade of the economy and help inculcate a more inclusive society. The *Capital Market Masterplan 3 (CMP3)* paves the way for the wider population to participate in the sustainable and productive growth of the nation, and the broader accumulation of wealth for all in the process.

As we transition towards becoming a more developed nation, Malaysia will need to cultivate more domestic firms in the frontier sectors of the rapidly changing contours of the global economy, in order to capture economic growth. The *Dana Penjana Nasional Programme* was set up for this purpose to spur innovation and provide risk capital for domestic entrepreneurs. Strategies outlined in the CMP3 will address this priority more comprehensively, enabling more funding avenues for entrepreneurs and small-and-medium business owners to grow their companies into competitive firms in the global economy.

The digital economy is another key area of growth for the country moving forward. The *Malaysia Digital Economic Blueprint (MyDIGITAL)* was launched earlier in 2021 to catalyse the growth of our digital economy and enable greater digital inclusiveness across the nation. This agenda will be further supported by the CMP3, which encourages greater digital adoption in the capital market. Digital adoption on a wider scale can enable businesses to raise capital at lower cost, and at the same time, empower all Malaysians to invest for their future.

The CMP3 also supports the country's commitment to the United Nation Sustainable Development Goals (UN SDGs) and the *Paris Agreement*. Over the next five years, it is envisaged that the ever increasing amount of capital will be mobilised to enable the transition towards a low-carbon economy, and to fund projects that create a positive impact on society and the climate.

Finally, I would like to express my deepest appreciation to the Securities Commission Malaysia (SC) for the tremendous effort put in to develop the CMP3 under prevailing circumstances. Under the CMP2, the capital market expanded and diversified its capacity for capital formation, while putting in place effective and proportionate regulation to preserve the integrity of the market. With the CMP3, I am confident that the capital market will continue to play an important role in the Malaysian economy, enabling greater prosperity, encouraging inclusivity, and supporting the sustainability of the Malaysian economy.



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