

**THE MALAYSIAN ECONOMIC SUMMIT 2021**  
**“Spurring Malaysia’s Productivity and Growth After the COVID-19  
Pandemic”**  
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**SPECIAL ADDRESS by:**

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**Minister of Domestic Trade and Consumer Affairs**

**“Strengthening the Domestic Economy, Building Resilience”**

A very good afternoon and Salam Sejahtera

Tan Sri Michael Yeoh  
President, Kingsley Strategic Institute (KSI)

Excellencies,

Distinguished guests and speakers,

Ladies and gentlemen,

1. A very good afternoon everyone. I would like to begin by conveying my gratitude to Tan Sri Michael Yeoh and KSI for inviting me to participate at today's event, the Malaysian Economic Summit 2021. This is my second time speaking at a programme organized by KSI, and unfortunately due to the pandemic, this is also the second time it has to be virtual. Let us hope that the third time will be in a spacious ballroom, during a time we may be able to see more normalcy. Let me also remind all of us that while our economy may not be in the best situation and my speech this afternoon may present statistics proving so, the Government is optimistic and committed in finding ways to steer us forward and out of the problem. I personally want to focus on initiatives to improve our economy, rather than to remain pessimistic because it is my duty as the Minister of Domestic Trade and Consumer Affairs.

2. We are more than a year into the COVID-19 crisis that has changed the way we live and work. Unfortunately, cases are still high both locally and in many other countries, and normalcy seems almost like a distant memory. What seems like the end of the pandemic is approaching for certain advanced countries with higher vaccination rates. The key is vaccinations. These countries are looking at the opening up of their economic sectors, despite their high cases. Due to the fact that COVID-19 has yet to cease its spread globally and with the discovery of new variants, managing the pandemic has indeed taken a toll on public health infrastructure and in recovering the economy. While it may be easier for some economic sectors to recover, it may take time for certain economic sectors to return to their previous pre-COVID states, unless every country

recovers at the same time and the same pace. This is the nature of global interdependence.

3. In Malaysia, cases are still high and several states like Selangor are still under Phase 1 of Malaysia's 4-phase recovery plan and a lot of sectors are unable to operate. **However**, efforts to distribute vaccines through our National COVID-19 Immunisation Programme (PICK) is underway and faster than ever. As of 11:59pm on 12 July 2021, 8.10million (8,104,068) first doses and 3.7 million (3,684,121) second doses have been administered. In total, 11.79million (11,788,189) doses have been administered nationwide, meaning 11.3% of our population has been fully vaccinated. According to Bloomberg's vaccine tracker, Malaysia is set to cover 75% of the population in 4 months should we maintain our current pace. This may be expedited even more, should the pace increase.

4. Evidently, COVID-19 has wreaked havoc on economies and people's lives everywhere. The government and stakeholder's efforts are vital in assuring the economic situation improves. The government is also committed in providing vaccinations for important economic sectors in order to improve the situation we are in - this includes sectors such as construction, transportation and manufacturing.

5. Undeniably, the retail sector has been greatly affected by COVID-19. According to data presented to the Ministry of Domestic Trade and Consumer Affairs (KPDNHEP) during an engagement session with the *Federation of Malaysian Business Associations* (FMBA) on 1 July 2021, the retail sector (in particular shopping malls) provide jobs for a total of

1,000,000 workers. It is estimated that 20% of this workforce lost their jobs before the Enhanced Movement Control Order (EMCO) and 20% of shops were also closed. These statistics paint a grave reality for our economy, especially considering that prior to COVID-19, the hustle and bustle, as well as colourful crowds, of Malaysian malls, were a symbol of a fast-developing economy. In 2019, distributive trade alone contributed 17% (RM1,326.6 billion in sales volume) to our country's GDP - proving that distributive trade is essential to the wellbeing of our economy.

6. In light of this, the Government is aware and is committed to helping the retail sector. For your information, our Retail Industry Vaccination Programme (RiVAC) has been approved by the COVID-19 Immunisation Task Force (CITF) and our first industrial vaccination centre (PPVIN) for the RiVAC will be opened at Cititel Mid Valley City, Kuala Lumpur starting on 26 July. Even though I've asked for it to begin earlier. RiVAC targets the frontliners of the economy such as cashiers, sales personnel, restaurant crew, petrol station workers, supermarket staff, departmental store employees, barbers and beauticians, shopping complex management staff and distribution chain workers. All of whom are not only economic frontliners, but humans with families and the need for jobs to put food on their tables. The objective of implementing RiVAC is to ensure the retail sector can provide for shopping service continuity, as well as a safe and assuring consumer experience. We know there is a need to open up the retail sectors and KPDNHEP works very hard to fight for this case. Even when our officers present our recommendations to the MKN technical committee, we emphasise on the need to save jobs and employment.

7. To date, there are 1,823 companies from all over Malaysia that have registered with the ministry for the RiVAC. KPDNHEP targets at least 500,000 frontline workers in the retail economic sector nationwide to join RiVAC as soon as possible. KPDNHEP is committed to ensure the retail sector is revived and fully opened as soon as possible and this can only be met if the administration of vaccines to all levels of the economy could be implemented fully through RiVAC. I would also like to take this opportunity to thank all the industry players who volunteered to offer their premises to be used as PPVINS. There's a lot of enthusiasm and we feel all the industry players that have engaged with us, have given their full cooperation. Hence why we work very hard for them.

Ladies and Gentlemen,

8. In our efforts to build resilient domestic trade, we can no longer be a country wholly reliant on agricultural exports and cheap manufacturing as this would put us at the mercy of the ebbs and flows of the global economy, international capital is fickle, and comes and goes at a whim. This is furthermore evident during an era where COVID-19 seems to be the master decision maker in whether countries can open up economically or not. The onus is on Malaysia to build domestically, a store of intellectual, financial and industrial capital which will allow us to survive and even thrive through the years ahead.

9. Malaysia must constantly reinvent the economy; indeed, change is the only constant if we are to build a sustainable and resilient economy. The Fourth Industrial Revolution (4IR) and the Digital Economy have made

it all the more crucial for Malaysian businesses of all forms to get on board the digital bandwagon to take advantage of the advancements technological developments have always brought to the table. The prime ingredients in this process, though are many, can be narrowed down to two things – people and businesses with the right skills and a conducive environment.

10. COVID-19 has affected consumer and economic trends. With almost all countries, including Malaysia, having started lockdowns from March 2020 onwards - consumers have started shifting their focus to digital platforms, whether it is social media or e-commerce. In Q1 2020, a total of 41,705 broadband subscriptions were recorded. In Q1 2021 however, there was an increase to 42,852 broadband subscriptions. According to the Department of Statistics Malaysia (DOSM), income from e-commerce transactions surged 30 percent in Q1 2021. These statistics prove that the shift to digital platforms is undeniable.

11. The Government is aware of the steep shift to digital platforms and the possibilities digital enablers can bring to the development of this country. This is why the Malaysia Digital Economy Blueprint (MyDIGITAL) was launched on 19 February 2021 by YAB Prime Minister. MyDIGITAL aims to transform and empower Malaysia's digital economy by 2030. The MyDIGITAL is a cross-sectoral blueprint, which takes a whole of government approach, meaning ministries like KPDNHEP also play a pivotal role in adapting to these digital trends and achieving the blueprint's objectives.

12. As a whole, Malaysia is doing a great job in embracing the digital economy and the fourth industrial revolution (4IR) through the rollout of 5G, improving cybersecurity resilience, encouraging the use of e-commerce platforms and adapting to technological trends. As a matter of fact, Malaysia even encourages development in the digital economy within the realm of Free Trade Agreements - with there being chapters on intellectual property, e-commerce and telecommunications under the Regional Comprehensive Economic Partnership (RCEP).

13. The utilization of e-wallets and online banking has simplified retail and has in fact opened doors for more SMEs to conduct sales. In Q4 2020, online banking transactions rose by 10% from the previous quarter. As of April 2021, approximately 93% of selected subsectors (Hypermarkets, convenient stores and petrol stations) have e-wallet facilities. However, on a more granular level, there is also a need to address the access of information to these e-commerce platforms.

14. In line with the objectives under the MyDIGITAL, KPDNHEP launched the Retail Digitalisation Initiative (REDI) in April 2021. REDI aims to encourage e-wallet adoption in the retail sector - with a focus on assisting smaller traders, particularly in wet markets, agro-markets, night markets and community markets. The objective of REDI is to simplify information and to provide access for traders to information on e-wallet platforms. KPDNHEP kicked-off this initiative at the Putrajaya night market, where 100% of the traders embraced e-wallet platforms for their businesses. We are planning to expand this initiative nationwide in the time to come. In fact, we are merely being held back by the EMCO.

Ladies and Gentlemen,

15. The Government not only plays the role of the regulator, we must also play the role of a facilitator. When I first came to this ministry, I heard a lot of programmes revolving around enforcement. While it is important, there is something bigger we must focus on beyond enforcement. What I have been prioritizing since I first came in to this ministry, is that we must be a ministry that facilitates. We have an open door policy. We must promote ease of doing business, cost of doing business, and conducive business environment. In order for the economy to recover, we must equip our entrepreneurs and small businesses with opportunities. We must also look at enhancing untapped potential.

16. One of the industries I see as an opportune platform for small businesses to expand is the franchise industry. There is so much potential I can see in this. Through the presentation of the Budget 2021 on 6 November 2020, the Government has allocated a total of RM5 million to KPDNHEP to implement and carry out the Micro Franchise and Affordable Franchise Development Program. This program will be one of the main initiatives in an effort to attract the involvement of more people, especially the B40 and M40, to venture into the franchise business. This program focuses on providing grants to develop more affordable franchise packages worth RM100,000 and below as well as micro franchise packages worth RM50,000 and below to increase the number of franchise entrepreneurs (franchisees) from the B40 and M40 groups. We also want to provide more opportunities for the youth. We want to help them become entrepreneurs,

as they can provide jobs too. We want the youth to not just look for jobs, but to create jobs.

17. When we speak of untapped potential, we must also look at both the science and creative industries in contributing to the economy through innovation. Technology has enhanced the way we appreciate art and culture, as well as the way prototypes are created. This is where intellectual property (IP) plays an important role in shaping the outcome of our economy. Under the MyDIGITAL blueprint, there is a call to nurture a dynamic IP system for the digital economy to encourage innovation. This call to action is being led by KPDNHEP through the Intellectual Property Corporation, Malaysia (MYIPO), and it looks at the improvement of the IP environment in Malaysia. The recommendations in the MyDIGITAL on IP aim to develop a more secure and conducive IP ecosystem, increase local IP registration and ownership and attract higher flow of innovation into Malaysia to spur IP development.

18. As the Minister overseeing matters related to IP, I am committed to ensuring MYIPO works harder to achieve these goals and to be more proactive in promoting IP awareness in Malaysia. We have bright minds such as Zhafri Zainudin, a Malaysian who invented 'StikFresh' stickers which prolong the shelf-life of fruits. Malaysia does not want to lose untapped potential and patent registrations to other countries. For example, Ruslin Tamsir, a Malaysian engineer who invented a car speaker being used in the McLaren Senna, registered his patent with the European Patent Office in October 2020. To name just a few cases.

19. My aspirations for IP also extend beyond patents. We should also see the same for Geographical Indications (GIs), trademarks and copyright. Bario rice and Harum Manis are products with GIs, both of which have certainly provided income to some Malaysians. We must also cultivate the creative industry and protect their artwork. As an Iban and Sarawakian, I see great importance in this because there are hundreds, if not thousands, of ethnic music and artists which have yet to really benefit from having their artwork be protected. To all Malaysian innovators and artists, you deserve to own the art you make - especially through royalties.

20. Part of our plan is to further strengthen Malaysia's laws so that we can provide better IP protection for both local and foreign investors. This includes amending our laws so we are in line with international commitments on IP, such as the RCEP and Madrid Protocol.

21. The business ecosystem is a complex one, in which KPDNHEP and its agencies will continue to facilitate. Regardless of whether it is business registration with the Companies Commission of Malaysia (SSM), development of domestic trade, consumer protection, IP protection with MYIPO and the enforcement of competition law by the Malaysia Competition Commission (MYCC) - KPDNHEP will continue working hard and will improve where we need to, in order to facilitate domestic trade and to prioritize the Ease of Doing Business. KPDNHEP will continue to do this through already existing programmes and new initiatives, in line with KPDNHEP's Strategic Plan 2021 - 2025. At the beginning of this year, we spent two (2) days brainstorming the best strategies to bring this ministry

forward. We then presented this plan to the YAB Prime Minister on 20 April 2021.

22. KPDNHEP is proactively engaging with our industry players. Every two (2) weeks, we have engagement sessions to hear the industry's constructive feedback and recommendations. We do this so we can find out what we can do to better our work. Previously before coming into the industry, I didn't know we had so many unregulated industries which have so much potential. Eg: catering and beauty industries. Many of them have approached KPDNHEP to request for the government to establish guidelines, in order for there to be a more robust business environment, which not only help the industry players, but protect consumers. This is my aspiration for the ministry.

23. On embracing digital developments, we also need to upskill our enforcement officers. We have Enforcement Command Centres (ECC) all across the country so the enforcement officers can do their best, proactively. We receive so many complaints on cheating, fraud and unscrupulous transactions online and is why we need to upskill our enforcement officers, particularly in the online realm. I intend to see these officers be empowered further.

Ladies and Gentlemen,

24. There may never be a complete "return to Pre-COVID normalcy". The pandemic is permanently reshaping the way we live and work. Some of the trends and behaviours developed in crisis — including wide-scale digital

adoption — will outlast the pandemic. To stay competitive, the Government and industry players must adapt to these changes to meet emerging customer demands and to restore the economy.

25. While it may seem bleak now, our hope is that with the accelerated immunisation programme and as more states progress to advanced phases of the national recovery plan, we hope to see a light at the end of this tunnel. I can assure you I, and my ministry officials, will always advocate the needs of the rakyat and will work hard to attain what we need to ensure these needs are met.

26. Lastly, I was asked to speak a bit on Sarawak. It's true that the State government is doing their best, despite the big land mass and incomplete infrastructures and facilities. Sarawak is now ahead of many states in terms of COVID-19 vaccination. Sarawak appreciates the assistance from the federal government, but the state also knows best how Sarawak works. We take great effort to bring vaccinations to the villages, for example.

27. With that, I would like to thank and congratulate KSI once again for organising this summit and I wish you all a fruitful discussion.

Thank you