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MINISTER OF FINANCE MALAYSIA**

***NATIONAL RECOVERY SUMMIT
KEYNOTE ADDRESS AND DIALOGUE***

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KEYNOTE ADDRESS

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Ladies and gentlemen,

Assalamualaikum Warahmatullahi Wabarakatuh and good morning,

1. Foremost, allow me to express my gratitude to the organiser of the **National Recovery Summit** for the honour of delivering this morning's keynote address and dialogue.
2. Roughly eighteen (18) months since COVID-19 first shook the world, humanity continues to grapple with the twin shock of the pandemic, namely, the direct public health impact as well as the unprecedented decline as large parts of the economy were shuttered to contain the spread of the disease.
3. Closer to home, Malaysia has been in wave-after-wave of infections, recording over **1.8 million** cases and losing over **18,000** lives thus far. The economic price has been dear and devastating. Aside from Malaysia's GDP contracting **5.6%** in 2020, it is the vulnerable segment of our society that has been hit the hardest.
4. And this battle is far from over. The economic outlook remains intertwined with that of the virus, and the path to economic recovery hinges on first getting it under control. Recent indicators suggest near-term challenges stemming from elevated infections and persistent public health concerns.
5. New challenges are also emerging in the form of more dangerous variants and growing community transmissions. Understandably, many Malaysians are frustrated, be it the breadwinner looking for a job, the business owner unable to fully operate, or the medical front-liner on the verge of burnout.

6. These challenges reflect the difficult path to recovery. A good place to begin our recovery journey is by thanking those on the front lines battling the pandemic and the workers who have kept the economy and essential services going. We should also keep in our thoughts those who have lost their lives to COVID, as well as their loved ones left behind.
7. And now, our world has changed dramatically. The pandemic has upended many old ways of how we earn a living, shop, learn and play – and even how we interact with our loved ones, and others like our employers, customers, suppliers and shareholders.
8. Thus, there is a pressing need to meet these challenges and embrace these changes, both immediate and imminent.

CATAPULTING RECOVERY

Ladies and gentlemen,

9. The various approaches to the pandemic, be it the National COVID-19 Immunisation Programme, the Safe@Work initiative and the various assistance packages implemented culminates in the **National Recovery Plan**, or NRP.
10. Truly, it is a comprehensive approach to restoring consumer confidence while allowing the economy to open safely. At its heart, the NRP will **catapult the nation on the path to recovery**.

11. Drawing on advice by the World Health Organisation and the experience of countries like the United Kingdom, Australia and New Zealand, the NRP **holistically assesses a state's readiness to ease restrictions while recognising the need for a multi-faceted recovery.**
12. Progress is tracked through three headline indicators namely, average number of daily new cases, utilisation of ICU beds, both of which indicates our system's capacity to respond, as well as the percentage of eligible population fully vaccinated. Through these metrics, several states have "graduated" to different phases of the NRP. Just yesterday, the Yang Amat Berhormat Prime Minister announced that Selangor, Kuala Lumpur and Putrajaya will transition to Phase Two effective tomorrow, 10 September.
13. Testimony to the NRP's dynamic approach while ensuring BOTH lives and livelihoods are preserved, the Government has also announced the:
 - a. opening of the retail sector as well we relaxation of SOPs for sports, leisure and recreational activities inPhase 1 localities;
 - b. easing of restrictions for those fully vaccinated, including most recently, for those in the creative industry; and
 - c. prospects of a travel bubble for tourist destinations in Malaysia such as Langkawi which will begin on *Hari Malaysia*.
14. *Alhamdulillah*, we have seen some great progress thus far. Since its inception, we have dramatically improved testing capabilities and accelerated vaccine rollout.

15. However, I recognise that there is still much left to do, especially in strengthening our healthcare system's capacity and nurturing the recovery of our people and industry.

STRENGTHENING THE HEALTHCARE SYSTEM

Ladies and gentlemen,

16. In the immediate term, the National Recovery Plan focuses on the effective management of the pandemic by breaking chains of transmission, reducing morbidity and mortality while maintaining sufficient support for non-COVID-19 needs.

17. To expand testing efforts, the Ministry of Health has recognised RTK Antigen and approved several COVID-19 Self-Test Kits which can be bought in pharmacies nationwide. Moreover, in making the Self-Test Kits accessible to everyone, the Ministry of Domestic Trade and Consumer Affairs and the Ministry of Health have set the price ceiling for these kits below 20 ringgit. Both ministries are looking at further revising down the prices by end of this year.

18. The Government is also enhancing contact tracing by expanding the use of technology and mobility data. Potential close contacts will soon be identified and notified on the need to quarantine themselves. Asymptomatic and cases with minor symptoms are now subject to a Home Surveillance Order.

19. Moving forward, the Government will progressively update the NRP to prepare Malaysia for the next normal of living with COVID-19 as an endemic disease.
20. Without a doubt, COVID-19 has shown that public healthcare is an important foundation to enable other sectors to operate. As such, we will not compromise on what is required to place our public healthcare on a stronger footing, through the NRP, and later through Budget 2022.
21. Among the new measures to be implemented include:
 - a. Firstly, we are in the process of establishing a dedicated call centre to offer immediate assistance in managing COVID-19 causes;
 - b. Secondly, Whole Genome Sequencing is being undertaken by the Institute of Medical Research to detect the presence and spread of new variants in Malaysia;
 - c. Thirdly, studying a much better way of deploying the Find, Test, Trace, Isolate and Support, or FTTIS, on an end-to-end basis;
 - d. Fourth, looking at effective ways of managing long COVID-19, a condition wherein people continue to experience COVID-19 symptoms for longer than usual after initially contracting the virus; and
 - e. Fifth, factoring in booster shots or multi-year vaccination programmes into our public healthcare protocols.
22. Beyond the pandemic, the Government is studying efforts to strengthen the healthcare system's resiliency and preparedness for

future pandemics while meeting the longer-term challenges of an **ageing population and non-communicable diseases**.

23. Policy measures being studied include:

- a. Putting in place an “always on” system and partnerships that can rapidly scale during pandemics;
- b. Strengthening national and local mechanisms to detect infectious disease to stop transmissions at an early stage;
- c. Ensuring health system readiness to handle surges while maintaining essential services; and
- d. Developing an integrated epidemic-prevention agenda.

24. Such reforms will ensure the protection of lives AND livelihoods while keeping the economy open for business.

IMMUNISING THE RAKYAT

Ladies and gentlemen,

25. Achieving a target level of population immunity is a key enabler on Malaysia’s path to recovery.

26. As at 7 September, more than **20** million people or **89%** of the country's adult population had received their first shot, including **16** million or **70%** who are now fully vaccinated. *Insya Allah*, we are **well on our way to have 80% of the adult population fully vaccinated by end of September, and 100% by end of October. Thereafter, we will start living with COVID-19 as an endemic disease..**

27. So far, we have seen this effort bear fruit in the number of hospitalisation and ICU cases which continue to decline. This is especially true in parts of the country where more than 60% of the adult population have been fully vaccinated. As Selangor, Kuala Lumpur and Putrajaya move to Phase 2 on 10 September, we will enable the reopening of more economic activities which will spur the economic recovery of our nation.

SUPPORTING PEOPLE AND BUSINESSES

Ladies and gentlemen,

28. The economic downturn has not affected all Malaysians equally, and those least able to shoulder the burden have been hit hardest. Despite making progress, unemployment continues to disproportionately affect the most vulnerable in our society, especially the lower and daily-wage earners in the services sector.

29. The unevenness of the recovery can be further seen through the lens of the sectoral shift of spending into durable and essential goods — and away from services, particularly in-person services which involves contact-intensive activities such as tourism and hospitality.

30. As the pandemic struck, footfall to recreational and retail outlets decreased by more than 40% relative to pre-pandemic levels. In contrast, spending on essentials has boomed since the start of the recovery, especially on specific food items.

31. As such, an important component of our recovery agenda in the NRP and Budget 2022 is the economy. In the immediate term, both key

policy measures will aid these hardest-hit sectors and most affected households through targeted measures, while minimising long-term economic scarring.

32. In maintaining livelihoods, the Government has introduced **eight (8) assistance packages** in addition to Budget 2021. All in, over **260 billion ringgit** has been disbursed as at end-July, benefiting over **20 million rakyat** and **2.4 million** businesses, with approximately 300 billion ringgit left to be spent this year. This includes a further **10 billion ringgit which will be disbursed** of not only direct aid for B40s and M40s but also targeted assistance for gig workers, the hardcore poor, the unemployed, as well as increased support for mental health issues..
33. Of course, a key pillar of economic recovery is **job creation**.
34. It is in that spirit that the **National Employment Council**, or NEC, continues to increase efforts to promote quality job opportunities, skills enhancement and trainings. As at end-August, more than **350 thousand jobs** were created. Complementing this are initiatives like MySTEP, PenjanaKerjaya 2.0, the Corridor Reskilling and Upskilling and the PENJANA Reskilling and Upskilling programmes.
35. Graduating from poverty also entails investing in **high quality human capital**. In 2020, children in emerging economies missed the equivalent of 45 days of school, an effect compounded in 2021. To avoid a lost generation, immediate effort to double down on children most affected by school closures and empty classrooms is being undertaken by the Ministry of Education. One initiative, **Tabung Cerdik**, has distributed nearly **130 thousand laptops** as at 7

September, and is on track to complete its target of 150 thousand devices distributed by the end of the month. To supplement this is the *Jaringan Prihatin* programme, where the Government subsidises the cost of purchasing a mobile device or monthly telco bill. Over **3.4 million** Malaysians have benefited from this initiative.

THE 'HOW' ON FACILITATING RECOVERY AND RESILIENCE

Ladies and gentlemen,

36. I have spoken at length on the 'what' – our efforts to strengthen the healthcare response to the pandemic, immunise the *rakyat* and support people and businesses. Equally important is the 'how'.
37. The National Recovery Plan is a **dynamic, flexible and agile roadmap** that tackles the pandemic holistically, rather than anchoring on a single metric as a deciding factor for relaxing restrictions.
38. Under the NRP, effective execution is made key and adapted based on current local scenarios. Updates are based on current needs supported by the most recent data, especially those based on science.
39. The NRP is also inclusive, based on a **whole-of-nation approach**. The National Recovery Council, a coordinating body under the NRP, has representatives comprising the state governments of Sabah and Sarawak as well as industry experts and NGOs to share their expertise on various aspects of the NRP.
40. All in, the National Recovery Plan **provides not just a light at the end of the tunnel but a data-driven, dynamic and inclusive way to navigate it.**

41. Just as it is critical for us to exit this pandemic safely and systematically, it is equally critical **that we build back better**.
42. No doubt, the pandemic is changing and challenging our economy and society in unprecedented ways. A post-COVID economy will be one of dramatic shifts in trade and services as well as harnessing the power of information and technology. The pandemic has deepened inequality. Work norms we were familiar with have changed forever. Sustainability and climate change have grown more pressing. And the world has seen a rapid adoption of digitalisation and automation.
43. In that respect, **Budget 2022** is conceptualised as a recovery budget to complement the Government's wider and longer-term reform efforts under the **Twelfth Malaysia Plan**.
44. Themed around **Recovery, Resilience and Reform**, we have issued a Pre-Budget Statement and four (4) Public Consultation papers – a first in our history.
45. On the latter, inputs are being sought on the following areas:
- a. Improvement of the Government Procurement Policy on Local Goods/Services and Procurement Policy for the Bumiputera;
 - b. Improvement of Cash Assistance Programmes;
 - c. Review of Tax Incentives; and
 - d. Drafting of the Fiscal Responsibility Act (FRA).

46. In this respect, I look forward to hearing your thoughts and suggestions as we craft what may be the most important Budget in the history of our nation.
47. Complementary to Budget 2022 is investment, and getting the right kind, with the right partners. This is where the **National Investment Aspiration** led by the Ministry of International Trade and Industry comes in the picture, with the goal of streamlining how investment is attracted as well as integrating policy documents and investment-related initiatives.
48. Of course, a unique driver of the Malaysia growth story is our government linked investment companies (GLICs) and government linked companies (GLCs). The MOF has tasked both GLICs and GLCs to play a catalytic role in jumpstarting the process of economic reform and restructuring. Empowering GLICs to fulfil that role is the objective of the recently announced ***Perkukuh Pelaburan Rakyat*** programme, or PERKUKUH.
49. PERKUKUH comprises 20 key initiatives to achieve a clearer mandate for each GLIC, more investment in catalytic and developmental areas, increased private sector participation and the streamlining of the Government's role in business. For instance, Khazanah Nasional will kick-start development of new growth ecosystems through its new 6-billion ringgit *Dana Impak*. Efforts are also underway to jumpstart co-investments with several international institutional investors and other sovereigns. Moreover, there are specific initiatives on future proofing our GLICs, as well as strengthening the nation's social safeguards and fiscal resilience.

50. Another critical ingredient is the **Malaysian Digital Economy Blueprint**, or myDIGITAL, to drive the business sector to compete on the global arena by addressing both digital infrastructure and digital ecosystem. The former includes investments through the National Digital Network (JENDELA) project, investments to strengthen connectivity to the international submarine cable network until 2023, a ten (10) year plan for the implementation of 5G nationwide and in cloud services. Bringing myDIGITAL full circle are efforts to strengthen the digital ecosystem, be it in areas of supporting digital adoption to privacy and data protection.
51. Furthermore, in terms of our 5G aspirations, we are also accelerating the development and growth of high speed, affordable, and reliable 5G connectivity and coverage for the socioeconomic benefit of all Malaysians. We will kick-start Phase 1 with 10% 5G coverage in Kuala Lumpur, Putrajaya and Cyberjaya by end-2021. Phase 1b will cover approximately 40% coverage in major cities in Selangor, Johor, Penang, Sabah and Sarawak by end-2022, to be followed by the rest of the country in stages with 100% national coverage targeted by 2024.
52. Combined, these measures will address the near-term efforts to place Malaysia's reopening on a stronger footing while ensuring the nation is well positioned to take full advantage of the megatrends of tomorrow in the mid- and longer-term.

MENANG BERSAMA

Ladies and gentlemen,

53. Before I end, allow me to reemphasise that the COVID-19 pandemic is a test of not only our ingenuity, but also our humanity. It is this common threat that requires all parties to come together, to harness the best traits of our society — solidarity, courage, creativity, and more importantly, empathy and compassion.
54. We do not yet completely know how our economy and way of life will change, but what we can do is to focus our minds and energies on emerging from this crisis as a more resilient nation and #KeluargaMalaysia.
55. Therefore, it is my hope that the NRP and Budget 2022 will serve as a template not just on how to exit the pandemic, but also on how to navigate the more pressing challenges that lie ahead. We will harness data to help us be more agile and responsive, underscored by the spirit of inclusivity, to serve us on our continued path towards better resilience and shared prosperity.
56. To that end, I call on all parties – government, private sector, civil society organisations, to name a few - to come together as one ***Keluarga Malaysia. Let's come together, and win together.***
57. On that note, allow me to thank and congratulate the Economic Club of Kuala Lumpur and the KSI Strategic Institute for Asia Pacific for organising today's National Recovery Summit. Thank you.