

# National Recovery Summit

“Winning the War Against COVID – The Road to Recovery”

Proceedings from discussions on 9<sup>th</sup> Septmber 2021, Virtual Conference via Zoom

## Key Recommendations:

- Allegations of forced labour and modern slavery that are affecting plantation and rubber glove manufacturing companies must be addressed through engagement with the United States government to uplift the withhold release orders and reviewing policies on the appointment of foreign recruitment agents.
- A standardised and uniformed SOPs should be implemented for all economic sectors to reopen during the recovery phase. Approval letters should be phased out once vaccination rates are high and depend instead on digital vaccination certificates.
- A concept of corporate accountability towards healthcare on an individual and firm-level should be promoted. Companies should invest in better ventilation systems and consistently take precautionary steps including the provision of indoor air quality report assessments of their factories and offices.
- Covid test kits should be produced domestically and supplied at lower cost to make them affordable for the public. Moreover, the government should enhance the monitoring of disease transmission through automation and data collection.
- The introduction of ceiling prices on medical services has held back the transfer of many complex medical cases from public hospitals to the private hospital creating inefficiencies in the healthcare system. The government should re-examine the reimbursement on selected cases to encourage the private sectors to take up more difficult and costly medical cases.
- The Malaysian government is urged to unfreeze the recruitment of foreign workers to allow the palm oil industry to optimise production as profits from the industry can be shared with the nation and help in recovery efforts. The archaic tax structure for the palm oil industry should be reviewed as it is currently the most heavily taxed sector in the country that comes in the form of windfall taxes, levies, and cess.
- The government is urged to work closely with industries, NGOs, and entrepreneurs in charting a business outlook for Malaysia in the post-pandemic, to look into the needs of various SME segments and match specific programmes to these SMEs to allow them to build back better in the fastest time possible.
- The entire supply chain ecosystem must be allowed to operate as many companies are part of the global supply chain without making distinctions between essential and non-essential businesses, which has caused much confusion.
- A COVID-19 Liberation Policy should be adopted for the next two years that involves the government suspending regulatory barriers which are constraining businesses in the digital space and the development of digital talent. Regulations should also be relaxed to facilitate investment.
- Enabling grants, such as those encouraging businesses to undergo digitalisation, can be given in tranches to spread out financial burdens on public coffers.
- Women need to be involved in conversations and decision-making processes in the COVID-19 recovery plan as diversity in ideas is vital for innovative solutions.
- Identity and populist politics must be left behind in Malaysia’s transition into recovery.
- Tertiary education needs to be made more accessible to Malaysians by providing an enabling ecosystem that allows for decisions to be made without the constraints of unrelenting bureaucratic processes.
- It is crucial that a community-centric approach is taken in gearing towards a recovery plan. This requires every person to be involved in empowering community champions on the ground, which in turn will allow Malaysia to deal with issues more effectively, specifically and sustainably, while being culturally sensitive at the same time.

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## PROCEEDINGS REPORT

KSI Strategic Institute for Asia Pacific  
**National Recovery Summit**  
"Winning the War Against COVID – The Road to Recovery"

9<sup>th</sup> September 2021, Virtual Conference via Zoom

### WELCOME SPEECH

**Tan Sri Abdul Wahid Omar, Chairman, Advisory Council of the Economic Club of Kuala Lumpur**

When the current Malaysian government was formed, each Minister was required to announce their performance targets for the first 100 days in office. On 31<sup>st</sup> August 2021, the Finance Minister issued the inaugural 2022 Pre-Budget statement as part of the effort to improve the annual budget preparation process which is consistent with international best practices where the pre-budget statement is published to increase transparency and enhance engagement and public confidence in the government's fiscal management. The Ministry of Finance (MoF) must be applauded for this pioneering effort.

The COVID-19 pandemic resulted in thousands of deaths. None could have foreseen the ill effects the pandemic would have on the world as the global economy contracted 3.2 percent in 2020 with the United Kingdom suffering the steepest contraction of 9.8 percent. Malaysia's GDP contracted by 5.6 percent in 2020. Unemployment rates rose to 4.8 percent or around 769,000 individuals unemployed as of June 2021. Median monthly household income declined by 11.3 percent from MYR5,873 in 2019 to MYR5,209 in 2020. Poverty incidence rates increased from 5.6 percent in 2019 to 8.4 percent in 2020. This means that approximately 640,000 households are living below the poverty line income of MYR2,208.

Thus far, the government has announced eight economic stimulus packages amounting to MYR530 billion from Prihatin in March 2020 to Pemulih in June 2021. Direct fiscal injection amounts to MYR83 billion up to June 2021 some MYR200 billion out of the MYR530 billion have been utilised. This has partly contributed to Malaysia's GDP growth of 7.1 percent in the first half of 2021. However, it remains uncertain if this is sufficient. At the same time, MYR330 billion of stimulus funds have not been utilised and a MYR185 billion balance from Budget 2021 need to be used in the second half of 2021. This should provide sufficient impetus for the economy to record the full year 2021 growth of 4 percent at the top end of Bank Negara's official forecast.

However, no amount of stimulus packages or financial assistance is enough as long as the economy remains substantially closed. Hence, there is a need to reopen the economy gradually and eventually in line with the vaccination rates. Herd immunity levels have been reached in the Klang Valley in August 2021 and nationwide herd immunity is expected by the end of September 2021. The Klang Valley will move into the Second Phase of the National Recovery Plan (NRP) on 10<sup>th</sup> September 2021. With more economic activities being gradually permitted in line with the NRP the prospects of achieving 4 percent GDP growth in 2021 can become a reality.

The Minister of Finance in May 2020 unveiled the 6R economic recovery plan – resolve, resilient, restart, recovery, revitalise, and reform. As part of the reform agenda, the government launched



the GLIC mandate, Recharge (Perkukuh Laburan Rakyat GLIC), to reform the role and mandate of government-linked investment companies. The reform comprises 20 key initiatives aimed at achieving a clearer mandate for each GLIC, more investments in catalytic and developmental areas, increased private sector participation, and streamlining of the government's role. To embrace the spirit of reforms, the government has to follow through several national reform agendas, including labour reforms. Labour reform involve, among others, the gradual planned increase in minimum wage moving towards the living wage and reviewing policies on the recruitment of foreign labour. This is in line with the commitment to strengthen the sustainability agenda in Budget 2022 as stated in the pre-budget statement.

Allegations of forced labour and modern slavery that are affecting plantation and rubber glove manufacturing companies must be addressed. Many of these allegations relate to the bonding of foreign workers by recruitment agents in their country of origin due to the debt they have incurred before coming to Malaysia. This issue must be addressed by the government in two particular areas. The first is to engage with the United States government to secure the uplifting of the withhold release orders (WRO) by US Customs and Border Protection currently issued to four Malaysian companies. The second issue relates to policy on the appointment of foreign recruitment agents which charges very high fees on foreign workers. Unless this can be addressed urgently, the WRO and the categorisation of Malaysia as a Tier 3 country under the Trafficking in Persons Report will cause untold damage to the Malaysian economy. This is in line with global commitment to sustainability and the ESG goals, many global businesses will exclude companies that are accused of engaging in forced labour practices and modern slavery from the supply chain. This matter must be resolved before it spreads to the electrical and electronics sector, upon which the damage will be irreparable.

In the capital markets, Bursa Malaysia had a good year in 2020. Its volume as measured by the daily trading value doubled from MYR1.9 billion to MYR4.2 billion in 2020. The FBMKLCI increased 2.4 percent to 1,627 points – the second-best performing market in the region. Business momentum continued into the first half of 2021 with an average daily trading value increasing to MYR4.4 billion. However, due to worsening COVID-19 cases and prolonged movement control orders (MCO), FBMKLCI declined 5.8 percent to 1,533 points as of 30<sup>th</sup> June 2021, making Malaysia one of the least performing markets in the region for the first half of 2021.

The positive news is that the market has recovered significantly in August 2021. Foreign funds turned net buyers for the first time since June 2019 with a net inflow of MYR1.1 billion. FBMKLCI went up 7.6 percent month from month to close at 1,601 points at the end of August. The improved sentiments were partly a result of resilient corporate profits for the second quarter of 2021 which increased by 113 percent year-on-year and 3 percent quarter-over-quarter. Similar positive sentiments were observed in the Malaysian bond market with foreign holdings increasing by MYR 6.6 billion in August 2021, bringing the year-to-date net inflow to MYR24.6 billion.

With the anticipated safe reopening of the economy in line with the NRP, a business-like approach, and constructive attitude of the government, business community, and the people throughout the country, it is hopeful that Malaysia will rebound and build back better, and hopefully, greener as well.

## OPENING KEYNOTE ADDRESS

### **YB Senator Tengku Datuk Seri Utama Zafrul bin Tengku Abdul Aziz, The Coordinating Minister of NRP and Minister of Finance**

The outbreak of the COVID-19 pandemic has placed countries around the world in double jeopardy with its direct impact on public health and the unprecedented economic shock in containing the spread of the disease. Malaysia has been experiencing several waves of infections with an accumulated amount of over 1.8 million cases and over 18,000 deaths to date. The economic crisis unleashed by the spread of COVID-19 has not only led the Malaysian GDP to contract by 5.6 percent in 2020 but also has had devastating effects on the vulnerable socioeconomic groups of society. Indicators suggest near-term problems stemming from growing infection rates and persistent public health concerns. Malaysia's economic recovery is intertwined with the government's efforts in managing the pandemic and much hinging on the speed of the vaccination programme, effective utilisation of intensive care units (ICU), and the emergence of new variants of the virus.

The National Recovery Plan (NRP) will act as a catalyst to accelerate the national recovery through various assistance packages like National COVID-19 Immunisation Programme and Safe@Work initiatives. By referring to the World Health Organization's (WHO) guidelines and the experience of countries such as the United Kingdom, Australia, and New Zealand, the NRP undertakes the role of estimating the state's competency to ease restrictions while acknowledging the need for a multi-faceted recovery. The progress will be examined through three indicators namely, the rate of daily infections, utilisation of ICU beds, and the percentage of a fully vaccinated population. While the NRP's dynamic approach has strategically preserved both lives and livelihoods, the metrics enable the country to gradually move into the next phase of its economy, allowing more economic sectors such as tourism and recreational activities to reopen.



The pandemic has reminded Malaysians that public healthcare is an important foundation that directly enables other sectors to operate. Hence, the government has introduced five major public health initiatives to be implemented under the NRP and Budget 2022. New measures include the setting up of a dedicated call centre to offer immediate assistance in managing COVID-19, whole-genome sequencing conducted by the Institute of Medical Research to detect the presence and spread of new variants in Malaysia, investigating better ways to find, test, trace, isolate, and support (FTTIS) Covid patients, examining effective methods to manage patients who experience protracted COVID-19 symptoms and incorporating booster shots or multi-year vaccination programmes into Malaysia's public health protocols. Beyond the pandemic, the Malaysian government is striving to enhance the country's healthcare system to improve its resilience and adaptability against future pandemics, as well as addressing longer-term issues such as an aging population and non-communicable diseases.

Furthermore, the healthcare system requires deep reformation to enhance ongoing COVID-19 responses and strengthen the public health system to reduce the likelihood of future pandemics. Hence, five policies measures are being studied that include building an "always-on" response system and partnerships that can scale rapidly during pandemics, strengthening national and local mechanisms to detect infectious disease at an early stage, ensuring the health system is ready to surge while maintaining essential services, and adopting an integrated epidemic-prevention agenda. With these frameworks in place, the government will make deliberate investments in

pandemic preparedness to ensure the protection of lives and livelihoods while keeping the economy open.

The economic downturn has an uneven impact on all Malaysians, particularly the most vulnerable in society. The unevenness of the recovery has caused individual consumption to shift from leisure and recreational activities to durable and essential goods and services. Thus, the implementation of NRP and Budget 2022 will jointly restore the economy by assisting affected sectors and individuals through targeted measures. The government has introduced eight assistance packages in addition to Budget 2021. While MYR260 billion has been released, benefitting over 20 million individuals and 2.4 million businesses, there is still a balance of MYR300 billion to be spent in 2021. This includes MYR10 billion which will be disbursed as direct aid towards the vulnerable group like the hardcore poor, the unemployed, and gig workers.

Job creation is a key pillar of economic recovery. As such, the National Employment Council has continuously promoted job opportunities and skill development under initiatives like MySTEP, PenjanaKerjaya 2.0, Corridor Reskilling and Upskilling, and PENJANA Reskilling and Upskilling programmes. By sharpening skills that match job requirements, unemployment rates will fall in the long run. Furthermore, since the young are regarded as high-quality human capital, the government has made an effort to distribute laptops to underprivileged students and subsidise the cost of purchasing mobile devices and monthly telecommunication bills to facilitate the experiences of online studying.

On the path to national recovery, the NRP is a dynamic, flexible, and agile roadmap that provides several frameworks to strengthen healthcare in response to the pandemic. NRP is data-driven with on-the-go updates aligned with current local scenarios, data, and needs. Stakeholders participating in the development of NRP include representatives of each state government, industry experts, and NGOs. The post-COVID economy is shifting towards a knowledge-intensive sector where digitalisation and automation are rapidly adopted across all industries. As such, Budget 2022 is conceived as a recovery budget to assist the government's larger and longer-term reform initiatives under the 12<sup>th</sup> Malaysia Plan which is themed around Recovery, Resilience, and Reform.

The National Investment Aspiration is designed to complement Budget 2022 and facilitate the attraction of foreign investment as well as integrating policy documents and investment-related initiatives. The PERKUKUH programme consists of 20 key initiatives that are aimed at attaining a more structured authority for GLICs, accelerating developmental investments, encourage private sector participation, and simplifying the government's role in business. Besides these programmes, Malaysian Digital Economy Blueprint also plays an important role in enhancing the competitiveness of the business sector on a global scale by addressing both digital infrastructure and the digital ecosystem. Steps taken include strengthening investments into improving international undersea cable networks and a 10-year plan for the implementation of a 5G network nationwide. The government has aspired to accelerate the development and growth of high speed, affordable, and reliability of 5G connectivity and coverage for the socio-economic benefits of all Malaysians. By the end of 2021, the 5G connectivity plan aims to cover 10 percent of Kuala Lumpur, Putrajaya, and Cyberjaya in its first phase. Following that, by the end of 2022, it is expected to have reached approximately 40 percent coverage in major cities like Selangor, Johor, Penang, Sabah, and Sarawak. Subsequently, it will be expanded nationwide to cover other urban and rural areas, with a target of approximately 80 percent coverage in populated areas by end of 2024.

These initiatives will address 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 long term. Although there is no certainty how the economy and daily lifestyles will change, it is crucial to remain focused on emerging from this health and economic crisis with greater resilience as a nation by coming together and winning together as Keluarga Malaysia (Malaysian Family).

## Ministerial Dialogue

**Moderated by Datuk Seri Mohamed Iqbal Rawther, Chairman, The Economic Club of Kuala Lumpur**

**Question:** *While a large amount of funds amounting to MYR900 billion has been allocated to the past 8 stimulus packages, can Malaysia afford to roll out future financial supports to restore the economy without impairing the nation's fiscal position?*

**Answer:** The government is prepared to provide additional fiscal support in order to safeguard the well-being of people and businesses as well as strengthening the country's healthcare system at a minimal scarring effect to the wider economy. The government has planned four stimulus packages totalling MYR26.8 billion in fiscal injections for the year 2021. Accordingly, the government's fiscal deficit is forecast to rise from 5.4 percent of GDP to about 6.5 percent to 7 percent of GDP by the end of the year with the statutory debt reaching the ceiling of 60 percent. If greater public assistance is required, the government will provide budgetary support through a combination of cost rationalisation, additional dividends from the government ecosystem, and raising the debt ceiling to allow for further borrowing. As the crisis subsides in the medium to long term, the government will resume its path of fiscal consolidation guided by the Medium-Term Fiscal Framework and Medium-Term Revenue Strategy which aims to improve the country's revenue base. This fiscal plan will balance Malaysia's short-term fiscal requirements and long-term economic sustainability.



**Question:** *The implementation of NRP aims to balance the enhancement of public health and the Malaysian economy. How can the Malaysian economy move forward without compromising the issue in the public health sector? What are the alternative strategies and measures the government is contemplating to implement?*

**Answer:** In August 2021, Bank Negara Malaysia revised Malaysian GDP's forecast for 2021 to between 3 and 4 percent, reflecting the reimposition of nationwide containment measures that began in June 2021. However, the reopening of the economy is expected to support a gradual recovery for the fourth quarter of 2021 with stronger external demand, the ramp-up in commodity production, materialisation of pent-up demand, and continued investment in large-scale infrastructure projects following the lifting of restriction. Thus, economic recovery is expected to accelerate further in the year 2022. According to studies conducted by World Bank and the International Monetary Fund (IMF), Malaysia's economic growth in 2022 is expected to be around 5-6 percent due to the gradual normalisation of economic activities and the positive spillover effects from the continued improvement of external demand. Nevertheless, economic recovery is intertwined with the nation's efforts in managing the COVID-19 pandemic. Specifically, much hinge on the rate of the vaccination programme, how ICU utilisation progresses, and the emergence of newer variants of the virus. Currently, Malaysia is one of the fastest nations in administering vaccines with more than 400,000 doses given out on a daily basis. At current vaccination rates, it

is expected that 80 percent of the adult population nationwide will be fully vaccinated by the end of September. Similarly, the number of patients admitted to the hospital or ICU has improved and stabilised in recent weeks. With the country's healthcare capacity being gradually addressed and businesses reopening at a systematic rate, positive economic growth is expected by 2022 at growth rates predicted by the IMF and World Bank.

**Question:** *Healthcare is one of the most common public welfare provisions for a populace but consists of a large proportion of the federal budget. Is this a negative aspect of the national recovery? What are the necessary steps that should be taken to strengthen the healthcare system for the future?*

**Answer:** On the path of building a COVID-19 resilient society, Malaysia will strategically address the issues identified in the short, medium, and long term. In the short term, it is important to recognise that the road to recovery is often not smooth but uneven with peaks and troughs. Looking back to Malaysia's economic history, being a Tiger economy in the 1990s before the Asian Financial Crisis, the key to smoothen recovery is to build resilience to endure shocks. The resilience of a nation can be built by effective institutions, rule of law, robust infrastructures, and usage of its national reserves. Despite four economic downturns between 1991 and 2020, Malaysia's gross national income per capita increased 5.8 times to MYR42,503. Similarly, this concept can be applied when building a COVID-19 resilient society. While the government looked at ways to improve the healthcare system's robustness and preparedness for future pandemics, they are also dealing with the longer-term concerns of an aging population and non-communicable diseases. Thus far, strengthening the local mechanism for early detection of infectious disease can curb the spread of Covid, developing FTTIS on an end-to-end basis, and design a comprehensive epidemic prevention agenda.

## SESSION ONE: WORKING TOGETHER TO ACHIEVE THE NRP

### **Moderator:**

**Datuk Seri Mohamed Iqbal Rawther, Chairman, The Economic Club of Kuala Lumpur**

### **Speakers:**

**Tan Sri Dato' Soh Thian Lai, President, Federation of Malaysian Manufacturers**

As the number of COVID-19 cases has increased exponentially in Malaysia, the implementation of stringent lockdown to break the chain of infections has placed a great strain on the national healthcare system. While prolonged lockdowns have negatively affected certain sectors, it is acknowledged that the strategy of allowing manufacturing services to operate during the pandemic has resulted in a significant improvement in the economy. This is evident in the performance of the manufacturing sector which has shown a positive growth at 3 percent in the fourth quarter of 2020 and 6 percent in the first quarter of 2021. The manufacturing sector's growth continued to improve at a faster rate in the second quarter of 2021, increasing by 26.6 percent.



Amidst the gradual reopening of the economy, the manufacturing industry had strictly adhered to all SOPs which has been ingrained as the new normal in the industry. Many companies in the industry have upheld the highest degree of SOPs by conducting regular PCR testing on all employees to guarantee that infections are kept to a minimum in the workplace. However, managing the entry of infections into the factory or hostels has become more challenging and complicated for the industry despite the SOPs and preventive measures in place due to asymptomatic sporadic which makes up the majority of cases. The source of infection is often not traced back to the community, but rather to the factory, leading to public misconceptions that the factory and workplace are the primary sources of infections. Currently, the manufacturing sector has contributed around 23 percent of GDP, including 86 percent of total exports, as well as the primary source of demand for other economic sectors' output. Thus, if the factory operations are closed or have reduced capacity, it will lead to a knock-on effect in the economy due to the extensive supply chains and networks involved in manufacturing. Subsequently, the economy would be damaged as there is a possible exodus of foreign investors and a reduction in domestic investment.

There are two strategies recommended that can potentially help to restore the Malaysian economy. Firstly, complicated and non-uniformed SOPs are a hindrance in bringing the nation's economy back on track of recovery during the post-pandemic period. The government should implement standardised SOPs for all economic sectors to reopen during the recovery phase. Approval letters should be phased out once vaccination rates are high and depend instead on digital vaccination certificates.

Secondly, efficient vaccination rollout is a widely recognised strategy that can help to effectively restore the economy in the intermediate-term. In response, the Malaysian government has implemented multiple national vaccination campaigns like PICK and PIKAS to improve vaccination rates to curb the spread of the COVID-19 virus. As of 7<sup>th</sup> September 2021, a total amount of 935,123 employees had received their first dose of vaccine under the Public-Private Partnership Industrial COVID-19 Immunisation Programme (PIKAS), with over 722,000 receiving their vaccines. Simultaneously, based on the JKJAV's updates on 6<sup>th</sup> September 2021, an approximate 68.8 percent of the adult population in Malaysia has been fully vaccinated while 89 percent have received their first dose of vaccine under the National COVID-19 Immunisation Programme (PICK). The progress of both COVID-19 vaccination programmes indicates that Malaysia will soon achieve "herd immunity" which will lead to the reopening of all economic sectors.

The upcoming Budget 2022 and the 12<sup>th</sup> Malaysia Plan (12MP) are essential to the NRP and the economy's revival. The next two years will be a critical recovery period for most businesses as they rebuild and strategies to regain competitiveness and sustainability. Thus, Budget 2022 initiatives would be key to address immediate remedies such as resolving cash flow constraints and helping companies to regain market shares, especially in the export markets, as many of their businesses are disrupted due to business closures and inability to meet their contractual obligations resulting in termination of contracts by customer.

Improving investors' confidence should be a core element in Budget 2022 as attracting foreign and domestic investors can rebuild the economy. Employment initiatives must be promoted to preserve unemployment at sustainable levels by ensuring displaced workers can acquire new skills which match the requirements of the job. Moreover, business transformation, technology adoption, digitalisation, productivity enhancement, and innovation are crucial in rebuilding resilience and reforming the economy. Equally important, the business should keep the regulatory cost burden low during this recovery period and delay plans to increase regulatory costs. 12MP on the other hand should focus on medium and long-term recovery policies to transform the economy from the pandemic impact on the overall business ecosystem and future-proof against any other future occurrences to ensure continued global competitiveness

Policies implemented by the government should align with the objectives and expectations of the private sector. The core characteristics of policies that the industry requires to enhance its resiliency can be described with 4Cs – credibility, consistency, clarity, and certainty. Correspondingly, economic growth will improve with businesses generating higher revenue at lower costs; individual well-being is elevated by enhancing their purchasing power; foreign and domestic investor confidence will be bolstered by strengthening capital and currency markets, and improvement in institutional reform by anti-corruption and efficient government administration.

### **Datuk Hishamshah Bin Mohd Ibrahim, Deputy Director-General of Health (Research and Technical Support)**

The outbreak of the COVID-19 pandemic has highlighted vulnerabilities in the Malaysian healthcare system despite efforts placed in upscaling the capacity of public hospitals. However, society as a whole should be aware that the public health crisis is not just the domain of the Ministry of Health (MoH) but a collective responsibility amongst government, businesses, and communities. The government has currently set the target of immunising 100 percent of the total adult population by end of October 2021 and has initiated the vaccination of adolescents between the age of 12 – 17 years in stages. As Malaysia is moving towards herd immunity, it is expected that Malaysia is pivoting towards living with the virus as the new normal.

The NRP consists of four phases and is transitioned between phases based on three main indicators. The key threshold indicators for the four phases include a number of new hospital admissions for symptomatic Covid cases in categories 3, 4, and 5, the capacity of the public health system based on the utilisation of intensive care unit (ICU) beds, and the rate of vaccination. Moving forward, the containment of viruses can be strategically executed by increasing testing capacity through the provision of affordable COVID-19 antigen rapid test kits (RTK). The government has implemented a price ceiling on the COVID-19 antigen RTK reducing the price from MYR40 to below MYR20 to ensure equitable access to test kits.



Further action will be taken in the near future to support the widespread testing among the B40. These strategies can effectively curb the spread of viruses as early detection and self-isolation can reduce transmission and chances of falling into categories 3, 4, and 5. To enhance the efficiency of testing, the government has outsourced RT-PCR tests to the private sector to accelerate the daily testing capacity. Another important approach being implemented by the government is to improve contact tracing through programmes such as MySejahtera and the distribution of electronic devices. Contact tracing can effectively trace infected individuals, assist in targeted Covid testing, monitoring patients undergoing isolation and treatment support when necessary. Consequently, this implementation has successfully reduced the number of admission and death which are associated with severe categories.

Challenges remain for the healthcare system as there is a limited amount of treatment options currently available in Malaysia. Thus, Malaysia has been seeking new drugs apart from Baricitinib to treat Covid patients and has been actively involved in many clinical trials for the treatment of COVID-19 and has participated in the WHO's COVID-19 Solidarity Trial for COVID-19 Treatments to enhance knowledge of the disease. Also, Malaysia has been discussing with various global drug manufacturers to gain early access to new drugs which is getting approved by the Emergency Use Authorisation (EUA). While the public healthcare system is struggling to cope with the rising number of cases, the government has allocated funds for the coming years to outsource non-Covid

cases to the private hospital to receive optimal treatments. This includes urgent and semi-urgent cases like elective surgeries which require immediate attention.

Thus far, the availability of vaccines in Malaysia has expanded due to the efforts of foreign partners which has managed to procure millions of doses of vaccines for COVID-19 from vaccine manufacturing country. Also, the capacity of the vaccination rollout has increased through public-private partnerships where private companies have helped the government to open more vaccination centres in various localities. Furthermore, ProtectHealth Corporation Sdn Bhd has also enrolled 5,000 general practitioners (GPs) to assist in the country's immunisation programme. In the long term, these GPs can help reduce healthcare disparities by taking up caretaker roles in the various regions they are assigned.

**Nadiah Wan, Chief Executive Officer, Thomson Hospital Kota Damansara & Group Chief Executive Officer, TMC Life Sciences Berhad**

The causes of the COVID-19 pandemic can be traced back to societal actions and behaviours toward the environment. Although MoH has strategically controlled the spread of the viruses, achieving health at an optimal point is beyond the capability of the Ministry. Thus, Malaysia should consider implementing a “reset” strategy that addresses the impact of future pandemics as well as the ability to detect these diseases for early treatment.

Malaysia should reset the prioritisation of the investment decision in healthcare for both the private and public sectors. While Malaysia has acknowledged that there is a severe shortage of beds in ICUs amid the pandemic, the investment in ICU care is extremely expensive and infeasible if there is a shortage of manpower. Hence, the decision in healthcare investment should be diverted to the primary care system as it is a more sustainable response to COVID-19 in the long term. This is because the investment made in strengthening primary care could lessen the number of patients that would need intensive care and thus reducing the occupancy of ICU beds in the hospital. However, investment in the primary care system does not only refer to purchasing more vaccines, but rather it should also include contact tracing devices like handphones and laptops to remain in touch with the COVID-19 patients. A contact tracing device is an essential public health measure to effectively contain the spread of the viruses by monitoring Covid clusters, self-quarantine patients, and updated information regarding coronavirus.



The government should promote the concept of corporate accountability towards healthcare on an individual and firm level. Since COVID-19 is an airborne disease, companies should invest in better ventilation systems and consistently take precautionary steps including providing indoor air quality report assessments of their factories and offices. This concept stems from the same idea as dengue where treating stagnant pools of water has been a norm to society. Besides setting a norm on investment in ventilation systems, widespread testing should be accessible to all levels of society to break the chain of infection through early detection. Although MoH has set forth policies like workplace testing to reduce exposure to COVID-19, it is crucial to realise that self-administered Covid-testing will become a norm for the coexistence between society and the virus. Thus, the government should produce Covid test kits domestically to supply these test kits at a lower cost to make them affordable for the public. Moreover, the government should enhance the monitoring of disease transmission through automation and data collection as society is stepping into the new normal. Since vaccine efficacy might not be adequate for future variants, elevating the accessibility to early care and building public-private partnerships involving GPs to manage clusters are feasible strategies for containing outbreaks in the future.

## **Datuk Dr. Kuljit Singh, President, Association of Private Hospitals of Malaysia**

Public-private partnerships in the healthcare system should be maintained in the aftermath of the pandemic to spur economic growth during the recovery period. The COVID-19 pandemic has prompted authorities to recognise that an effective public-private partnership model can aid in the strengthening of the healthcare sector during the phase of recovery. Since there is a significant capacity in the private sector, the public-private partnership model allows the government to reduce healthcare expenditure by acquiring services from private hospitals. Simultaneously, private hospitals can enhance their operations by investing in advanced medical technology and equipment to improve the quality of the healthcare system. However, the emergency ordinance's implementation of price ceilings and the lack of government funding for medical services have caused many private hospitals to struggle to provide high-quality healthcare. In particular, the introduction of ceiling prices on medical services has held back the transfer of many complex medical cases from public hospitals to the private hospital creating inefficiencies in the healthcare system. Moving forward, the government should re-examine the reimbursement on selected cases to encourage the private sectors to take up more difficult and costly medical cases. Accordingly, patients from different regions can receive superior healthcare treatment with shorter waiting periods as there are more facilities and manpower in the Malaysian healthcare system as a whole.

The green bubble concept for the medical tourism sector should be introduced precursor to the opening of borders to foreign tourists. In 2019, the medical tourism sector has successfully logged more than MYR1 billion in revenue and was expected to increase in the following year before the outbreak of the global pandemic. While it is expected that the pandemic will not disappear in the near future, the government should promote medical tourism to act as an impetus to other types of tourism. The Association of Private Hospitals can collaborate with the Malaysian Healthcare Tourism Council to attract medical tourists back into Malaysia. This initiative of medical tourism could boost the country's income while setting the path to enable more tourism activities. At present, the requirements for medical tourists during a pandemic are restrictive as they can only use chartered aircraft, making it difficult for them to seek treatment in the country. Quarantine procedures for tourists who have been fully vaccinated should also be reviewed.



Private hospitals play a critical role in the Malaysian economy. Partnering with public healthcare can build a more resilient healthcare system as a whole in the economic recovery programme. During the pandemic, public healthcare has been shifting its focus from curative medical services towards prevention, disease control, and rehabilitation. Thus, in the post-Covid phase, the government should consider collaborating with private healthcare providers to relieve burdens on public sector infrastructure during the corona epidemic. For example, private hospitals that offer a variety of vaccines should be introduced to patients who are willing to pay for a specific vaccine to fit their preferences and needs. Furthermore, Covid patients who wish to pursue private hospitalisation should be encouraged to do so to reduce the constrain of public healthcare resources. By easing the burden of the public sector, the government can divert its resources, manpower, and funds to other public health issues which require equal attention from the government. Consequently, a more resilient healthcare system can attract more foreign investors into the country.

## SESSION TWO: BUILDING BACK BETTER – REBUILDING AND RESETTING BUSINESS AND THE ECONOMY

### **Moderator:**

**Tan Sri Michael Yeoh, President, KSI Strategic Institute for Asia Pacific**

### **Speakers:**

**Datuk Mohammed Nageeb Wahab, Chief Executive Officer, Malaysian Palm Oil Association (MPOA)**

The palm oil sector is the producer of one of the country's essential commodities. It was fortunate to be one of the sectors allowed to operate during the MCO and is thankful to the Malaysian government for this recognition. Being in this fortunate position has allowed the industry to make significant contributions and support government efforts in managing the COVID-19 pandemic.

The palm oil industry has planted around 6 million hectares of oil palm in the country, covering approximately 69 percent of agricultural land in Malaysia. After the government, it is the biggest employer with around 750,000 direct employees. 500,000 small holder's livelihoods are solely dependent on oil palm with an additional 3 million depending on it. In 2020, Malaysia produced 19.14 million metric tonnes of crude palm oil which comprises 26 percent of the world's production. Also in 2020, the industry generated an export revenue of MYR73.3 billion and contributed to 3.6 percent of Malaysia's GDP. However, the palm oil sector is very reliant on foreign workers which comprise 84 percent of its total workforce.



The industry is plagued with many issues from many fronts, the biggest of which is the acute shortage of workers, namely harvesters, with a lack of 75,000 workers in March 2020. This shortage has caused a 20-30 percent shortfall in the sector's potential production. As a result, the industry's loss of revenue in 2020 was estimated at around MYR10-12 billion based on a CPO price of MYR2,685 per metric tonne. This reduction in revenue has also resulted in a reduced contribution in taxes of approximately MYR1 billion to the Malaysian government. Despite this, the total taxes paid out by the palm oil industry amounted to MYR5.2 billion in 2020.

Fortunately, the industry has enjoyed an extended run in CPO prices, averaging more than MYR4,000 per metric tonne in the first half of 2021 – an unprecedented price and the highest ever attained, mainly due to the short supply of edible oils worldwide. This trend is expected to prevail until 2022. As a result, plantation companies have reported favourable returns despite lower yields and high costs brought about by the continued shortage of workers. Yet, the industry could have done much better if its production numbers were optimised. Even with lower production and returns, the expected total effective tax, levy, and sales paid to the government will be in the range of MYR9-12 billion for 2022. A 20-30 percent drop in production and revenue will cost the government an opportunity loss to collect additional taxes between MYR1.5-2 billion at current prices.

To address shortage and high dependence on guest workers, the industry and relevant government agencies have embarked on several initiatives. On top of the agenda is the Accelerated Automation and Mechanisation Transformation Plan to reduce reliance on manual and guest workers. While the industry is keen on employing locals in place of guest workers in addressing this shortage, efforts to entice Malaysians to work in this industry have not been successful. Local shun this industry perceiving it to be dirty, difficult, dangerous, and demeaning (4D). The issue was not that of remuneration, as employment packages are lucrative. Yet, attracting locals, especially for harvesting work, has been challenging. Despite this, the palm oil sector will continue its attempts to entice Malaysians to work in this industry. The fallacy that foreign

workers being more affordable is untrue as it is costlier to employ guest workers due to the high cost of recruitment and training. The oil palm sector is at a breaking point as a 20-30 percent loss in production will escalate to much higher levels if unresolved. This could lead to Malaysia being unable to compete with its neighbours due to the higher cost of sales and wastages.

The Malaysian government is urged to unfreeze the recruitment of guest workers to allow the industry to optimise production and profits, in doing so, allowing it to share its wealth with the nation and help in recovery efforts. The industry stands to be guided by ethic conditions and SOPs established by the authorities. The industry has been able to contain the spread of the virus since the beginning, evident from the low numbers of infections in its operating centres, and will continue doing so as responsible public citizens. The government should also review the tax structure for the palm oil industry as it is currently the most heavily taxed sector in the country that comes in the form of windfall taxes, levies, and cess as this tax structure is archaic.

### **Dato' Azlin Ahmad Shaharbi, Chairman, National Federation of Women Entrepreneurs Association Malaysia**

As of 2020, 97.2 percent of all business establishments in Malaysia are small-medium enterprises (SMEs), numbering 1.2 million SMEs. Out of this, 80 percent are micro-enterprises. SMEs contribute 40 percent of Malaysia's GDP and provides employment to more than 7 million Malaysians. Hence, SMEs have a major role in the Malaysian economy.

SMEs have been badly affected by the pandemic more so compared to larger firms as they are in sectors that are most affected by the crisis. They are more vulnerable due to smaller cash reserves and lesser financial resources. This is made worse by the fact that micro-enterprises are unbanked. SMEs also have weaker supply chain capabilities, have operational constraints, lack management skills, and is sluggish on the uptake of digital tools. Since the start of the MCO, nearly 50 percent of SMEs have ceased operations as they have not been able to sustain themselves. Some are barely surviving, though a minority have fared much better compared to before the MCO. Hence, the impact of the pandemic on SMEs has been uneven – regardless of SME size or sector. It is important that the implementation of any policy to build back better considers the fundamentals and is specific towards the needs of the various SMEs. SMEs need to be segmented by various stages of development to determine clear recovery roadmaps that are suited to each segment.

The government should undertake a study on the Malaysian business outlook as there is a lack of clarity, causing SMEs to be unable to see a way forward. Some businesses which may have done well before the pandemic may no longer be relevant in the post-pandemic era. Therefore, it is important to identify businesses that are needed after the pandemic. This will help guide SMEs into recovery and for effective planning. Training and reskilling programmes have to be matched appropriately. There is a duplication of programmes across ministries. These programmes should be synchronised and their delivery simplified to make them more accessible to all.



**Abrar A. Anwar, Chairman, British Malaysian Chamber of Commerce (BMCC) / Managing Director and Chief Executive Officer, Standard Chartered Malaysia**

Banks are sympathetic towards the plights of borrowers affected by the COVID-19 pandemic and have been working closely with regulators to ensure assistance continues to be given to affected borrowers to allow them to remain afloat. Banks are also determined to support the economy in general to mitigate the pandemic.

Following the end of blanket moratoriums in 2020, the banking sector adopted a targeted repayment and payment assistance approach to continue providing financial support to clients affected by the pandemic. In the long run, targeted assistance is crucial as it allows banks to channel help to where it is needed most by supporting cash-strapped businesses, provide liquidity to financial markets, and aid people suffering from the loss of income. Assistance is offered to borrowers across a range of income groups with special consideration given to households from the B40, micro-enterprises, and borrowers affected by movement restrictions. These groups could apply for a 6-month moratorium from 7<sup>th</sup> July 2021 onwards. Hence, there have been multiple initiatives undertaken by the government and the banking sector. Borrowers are assured that opting-in for the moratorium or any other repayment packages will be a straightforward process without the need for borrowers to provide supporting documents and will have automatic approvals.



The pandemic has been a major catalyst for digitalisation over the past year. There have been significant changes in the way businesses and organisations operate. Digital transformation has accelerated across every industry with digital channels becoming the primary conduits of customer engagement, business productivity, and supply chain resilience. Here, the banking sector plays a crucial role in pushing the digital agenda across its corporate and business client base to increase competitiveness. With the phased reopening of the economy via the NRP, the bank's role in helping clients to go digital has become more crucial.

Standard Chartered has built a state-of-the-art single scalable payment engine that supports both B2B and B2C domestic and cross-border payments. It is investing heavily in the e-commerce space and is providing consistent and scalable solutions for online collection, escrow accounts, QR codes, and real-time direct debits. An upcoming and promising solution being developed by banks is blockchain technology. A common misconception is that blockchain can only be used by large corporations, but it can also be used by SMEs for financing. It is recognised that there is potential and investment in blockchain is crucial for the whole sector, making it a simpler process for the SMEs, B2B, and B2C. In 2020, Standard Chartered assisted an international company to perform its first blockchain transaction for their cargo operations which helped to eliminate transit times and the risk of documentation. Such technological innovation is critical in national recovery and is being embraced globally.

More discussions have been undertaken between banks and the MoF with much hope that more initiatives will be introduced as sectors open up. Hard hit sectors like tourism and retail will require specific support in accessing finance. This requires government assistance in working with banks to facilitate access to credit. BMCC welcomes the government's efforts in developing and introducing the NRP that is evidence and science-based which will provide more support to the economy. Strengthening healthcare responses to the pandemic, immunisation programmes, and businesses are key to moving forward to the next normal. The government's COVID-19 immunisation programme is lauded for its effectiveness. Collaboration with various ministries such as the Ministry of International Trade and Industry (MITI) on its PIKAS initiative was also commendable. It is believed that with the immunisation programme on the right course, the government can consider additional efforts to support people and businesses in this new

environment with the next normal in time. This will help create confidence for businesses to bounce back and bring new investors into Malaysia to help the economy.

The government must allow the entire supply chain ecosystem to operate as many companies are part of the global supply chain. Making distinctions between essential and non-essential businesses has caused confusion and needs to be reviewed by the government to propel the recovery process. When vaccination rates reach high enough levels, the economy must be reopened safely and quickly as many are struggling as they are unable to operate at full capacity.

**Dato' Wei Chuan Beng, Senior Executive Director, KSI Strategic Institute for Asia Pacific and Former Chairman, Young President Organization (YPO Malaysia) & PIKOM**

While the ill effects of the pandemic are expected to wane, recovery is likely to take at least two years. The nature of the pandemic being a global phenomenon has caused the closure of national borders. Yet, the flow of funds is still able to take place globally. Therefore, one cannot limit themselves to what is available in Malaysia as there are pools of funds available worldwide. At the same time, the trade war, logistic price escalations, and supply chain disruption have not occurred in isolation. There is also the issue of the flow of talent entering and exiting Malaysia as well as food security which must be considered.

Yet, opportunities exist. While international borders are closed, borders on cyberspace have remained open. Hence, Malaysia must consider opportunities in the cyberworld to generate income. Rather than limiting itself to domestic capital, foreign capital should also be considered. A COVID-19 Liberation Policy can be adopted for the next two years as conditions need to be created to allow the private sector to survive and thrive. The government needs to suspend regulatory barriers which are constraining businesses. This applies to the digital sector in the provision of digital services as there are various licenses applied to fintech, healthcare, and education that require certain ministries to adopt a view of suspending certain regulations to encourage industries to embrace and promote digital services. This relates to the issue of licensing. For example, for universities to come up with programmes to rapidly train digital talents, all new programmes require approval. However, if universities are given the mandate to offer new programmes, as long as it is to rapidly develop digital talent, they could be exempted for the next two years from certain approvals. Having a programme recognised as a degree or master's typically undergoes a lengthy approval process. As such, a liberation policy will accord executive directive to all ministries to suspend certain regulations for the next two years.



It is important to recognise that going digital is a major breakthrough that requires integrity and can be a force for good as new innovations can be achieved with digital technology adoption. Integrity can be assured when information is traceable. Digital solutions also provide access to otherwise difficult to reach places, in so doing, allow the generation of income back into the country. There have been lost opportunities in enhancing digital infrastructure. Several international submarine cables invested by the likes of Facebook and Google have bypassed Malaysia. This needs to be addressed by having more liberal policies to allow submarine cable landings, stations, and Cabotage exemptions. Industry players have urged the government to relax regulations to allow them to invest and set up the necessary infrastructure.

Unemployment and digital talent can be addressed at the same time. In the past, those who were unemployed after graduation will undertake a one-year diploma in education and become teachers. In the digital era, 500,000 digital talents will be needed in Malaysia in order to have an impact on digital transformation. Universities can be the bridge for unemployed graduates by giving them a

masterclass in the form of a post-graduate diploma to repurpose their career pathways. If a government fund can be provided by MoF or other sources, the pool of unemployed youth-aged graduates can be given a year to repurpose their career pathways. Such individuals can then contribute to digital transformation efforts. Hence, the government should give support and funding for digital adoption and expansion.

### **Stan Singh, Secretary-General, Malaysia Retail Chain Association (MRCA)**

The pandemic has caused perilous issues for retailers. Their cash flow positions have been affected with many only able to hold out for another 2-3 months. Some have overstocked inventories due to the lockdown and movement control order (MCO), with some even needing to cancel on committed orders. There were retailers who closed their outlets as they could no longer sustain themselves and staff needed to be laid off. Some businesses faced closures altogether when they were unable to obtain timely loans. Even moratoriums presented an issue due to the interest calculations. Even if businesses were allowed to open, restrictions in operating time and the cost of doing business has been mounting. Hence, there have been multiple disasters stemming from the single pandemic disaster.

Businesses continuity is reliant on their need to know the next steps forward. Without knowing, it is difficult to even begin. SMEs regardless of size are all in a dire situation and need to be given an opportunity to survive this calamity to reach a better place. The government's efforts given to retailers with handouts and assistance is applauded and much appreciated. However, close industry collaboration is sought with government agencies to allow feedback to enable the government to understand the pain points experienced by industries on the ground. This will allow the charting of a better way forward.

Starting points for businesses vary from one business to another. Some will be able to resolve the issues faced quickly while others will take time. A balanced position is needed to allow the curve to be brought down and to assist retailers to reach a better place. All business sectors should be allowed to open safely. There should be financial assistance, rental reliefs, speedy vaccination for frontline support staff, staff subsidies, clear SOPs, and a task force with respective government agencies to help retailers provide aid when required. Common rules are needed across the board for greater clarity as the SOPs have been very confusing as one rule may apply to in one instance but not apply to another.



The pandemic has given retailers a golden opportunity to embrace technology which will in turn open doors to more opportunities. However, despite the fact retailers are looking forward to changing their business models, they face limited funding. Although grants by the various government agencies are available, the process is hampered by long processing times in attaining these grants and insufficient grant amounts. A solution to this is to provide grants in tranches at sufficient approved quantum. This will allow businesses to bridge existing gaps and enable them to move forward.

Talent development strategies can also be adopted as there are large numbers of staff from the retail industry who have been laid off due to business closures. At the same time, business owners wanting to digitalise may not be IT savvy and will be dependent on digital talent to bridge gaps and shortfalls. When the unemployed become digitally trained, they can be reemployed by the various industries to fill existing gaps. Instead, new talent pools can be trained through government incentives provided by the government to rehire them back into the business. It is the strong-minded workers that will build industries and the nation. Such workers are key and part of the huge equation.

## SESSION THREE: OVERCOMING COMMUNITY AND SOCIAL ISSUES – A WHOLE OF SOCIETY APPROACH

### **Moderator:**

**Prof Datuk Dr Denison Jayasooria, Co-Chair, Malaysian CSO-SGD Alliance**

As the National Recovery Council begins paving the way to Malaysia's recovery, it is crucial that the rakyat remains the central focus. Its success will rely on not just the efforts of the government or a handful of industries, but on the collaboration of the entire community. Upon examining current initiatives and understanding how they can be improved, there must also be a reflection regarding their shortcomings. A whole nation approach in addressing a host of unimaginable challenges will require the political will to adopt drastic changes. The need for representation, participation, dialogue, and greater governance standards must be considered if an effective and efficient NRP is to come into fruition.



### **Speakers:**

**Prof. Emerita Tan Sri Dato' Seri Dr. Sharifah Hapsah, President, National Council of Women's Organisation (NCWO)**

The NCWO is confident that the network of women that it represents is well equipped and ready to aid in the recovery plan led by the NRC. NCWO's efforts in volunteering as well as supplying hospital equipment such as PPEs and ventilators have demonstrated its community-centric vision in battling the pandemic. As COVID-19 becomes endemic, with social distancing becoming the "new norm" and technology being the new way of life, it is not only important but necessary that women are involved in the conversation.

Gender perspectives are imminently missing from Malaysia's decision-making processes. Research has shown that diversity in ideas is vital for innovative solutions and as such, the voice of women must be amplified in the task force and at all levels of policymaking. With SOPs shaping a new way of life, local communities must be involved in discourses that influence such regulations. The increase in the use of technology has made it easier to include the voices of marginalised communities such as women in conversations of all levels. Widespread use of technology will also allow the NRC to engage in subcommittees and bring people on board for varying issues.



The success of Malaysia's vaccination programme will be pivotal to the NRP. NCWO has campaigned for women and families to get vaccinated, as getting women on board vaccines will create a domino effect on families getting vaccinated and thus the community. Women can aid this process by helping register and transport vulnerable groups to vaccination centres in collaboration with the Community Vaccine Mobilisation (MOVAK) Programme. Additionally, by providing training, clear SOPs, and access to medicine, a home-based care system for Covid-positive individuals can be further reinforced. It is also vital that the NRC considers the psychosocial impacts of the pandemic on communities on the ground. A loss of jobs has led to a worsening of poverty, thus

requiring the involvement of stakeholders such as NGOs and local associations to update the eKasih database. The desperation and anger experienced by families have also caused an increase in domestic violence, suicide, and divorce. Shelters that complement existing NGOs must be set up for victims and SOP regulations have to account for these circumstances as well.

The NRC must ensure that schools are physically and emotionally safe for students. The perpetuation of gender stereotypes and the issue of sexual harassment in schools have not only contributed to the widening of gender inequality, but also the neglect of human rights. An amendment of the curriculum on teaching training paired with the involvement of NGOs in schools can be a long-term solution to this urgent matter. Burnout in the healthcare system is also a matter which must be taken into serious consideration. Most frontline workers are women, who are overburdened and require help that extends beyond counselling. Financial grants for personal use and longer rest days are practical means of supporting the workers who are on the frontlines of this battle. Finally, coordination will be the determining factor in ensuring clear communication and therefore success in the NRC's endeavours.

**YB Maria Chin Abdullah, Vice Chairman, All Party Parliamentary Group on SDGs /Member of Parliament for Petaling Jaya**

Current actions which aim to place Malaysia on a trajectory towards recovery lack a time frame for recovery and consideration of risk factors. While there is an established time frame for Malaysia's vaccination programme, it falls short on creating a timeline for strengthening its healthcare system which urgently requires immediate and medium-term responses. The NRC must also provide a more detailed plan of action for dealing with upcoming challenges and preparing for those that are unforeseen. Of these challenges, inequality and discrimination is one that must be swiftly addressed. The deepening of poverty lines and exacerbation of oppression among vulnerable and marginalised communities is an issue that Malaysia cannot afford to leave half-heartedly managed. Greater governance standards are also necessary for success. Standards within institutions must be established in order for the NRP to be carried out with more transparency and accountability. It is also crucial that identity and populist politics are left behind in Malaysia's transition into recovery. Rhetoric surrounding race, religion, and political patronage have no place in a nationwide approach to recovery.



A successful recovery plan must include the people's participation. The NRC has to recognise that the rakyat is not the problem, but rather as part of the solution. The recent gazetting of the Kuala Langat North Forest Reserve is a success that demonstrates the effectiveness of the people's voices and leadership that will listen to the people on the ground. Ensuring that no one is left behind will necessitate bold changes in order to transform a concept into reality. Adopting a social inclusion bill will hold authorities accountable for managing poverty, discrimination, and inequality among Malaysians. This period of recovery also provides an opportunity to rebuild Malaysia's research and development. Having been underdeveloped for many years, the shortcomings of research and development in Malaysia must be identified and resolved as a productive step forwards. Devolution of powers between the federal and state government is increasingly presenting itself as a solution to the miscommunication and inefficiency that Malaysia is experiencing. The dependency of the state on federal authorities to provide direction and resources in healthcare has caused unnecessary delays in their responses. There must be a conversation to identify areas wherein decentralisation is both possible and productive.

If there is to be a reset in Malaysia's recovery plan, there must be a rethink. Government agencies and stakeholders must include communities in coming up with solutions to community-level problems. The NRP must address the nuts and bolts of every situation and will need to consider

the voices of those who are directly impacted by such issues. Economic recovery must include supporting SMEs by injecting money to recapitalise them for additional resources. Businesses are willing to get back onto their feet and employ more workers but lack the funding to do so. A paradigm shift is essential to the new National Recovery Plan, and as such, nationwide participation cannot be omitted.

**Datuk Dr. Parmjit Singh, President, Malaysian Association of Private Colleges and Universities (MAPCU) and President, Asia Pacific University (APU)**

While the transition from physical to online learning for tertiary private education has been seamless, education in a pandemic has come with its own challenges. The unaffordability of tertiary education has risen in correlation to falling incomes and job losses. This poses a threat to both individual lives as well as the economy, as socioeconomic issues are bound to materialise as a result of inadequate education standards. Private universities currently educate 50 percent of all tertiary education students in Malaysia. A decrease in privately educated undergraduates will cause a reciprocal drop in the talent output of the economy – which is essential for economic growth.



MAPCU has considered every application made for financial aid into consideration with an 83 percent rate of approval. However, private universities still need to operate above their costs. Funding from the government is needed to allow private universities to successfully take in the number of students which national universities cannot. Additionally, granting private universities permanent licenses to conduct their courses online will increase the affordability and accessibility of tertiary education. This can take the form of hybrid learning, with current circumstances demonstrating its feasibility.

The psychosocial effects of online learning has had tremendous effects on the transition of undergraduates from education to employment. On-campus interactions play a defining role in the professional development of students, which includes gaining independence as they leave home and take responsibility for themselves. The absence of soft skills such as communication and confidence has affected the quality of Malaysia's workforce and will be all the more exacerbated by the lack of networking at universities. Not only is it necessary to equip Malaysia's undergraduates with soft skills that are needed for the workplace, but also to prepare for the changes that are to come. There will be a drastic shift in the jobs that are available and fresh graduates may need to be reequipped for the skills that are in demand.

The education sector is one that is highly regulated. If tertiary education is to be more accessible to Malaysians, there must be an enabling ecosystem that allows for decisions to be made without the constraints of unrelenting bureaucratic processes. It must also be recognised that the main role of education is to create employable citizens. As such, there must be a revamp of the system in order to create visibility as to where future jobs lie. Universities must also begin matching passion with course offerings as well as job openings that are available.

**YB Dr. Kelvin Yii, Member of Parliament for Bandar Kuching**

COVID-19 has been a stress test, exposing all forms of inequality and institutional neglect whilst exacerbating discriminatory and oppressive realities in Malaysia. Despite its effects which extend biologically, emotionally, psychologically, and spiritually, it has forced a reset among nations as a global understanding of the pandemic is built from the bottom up. It is crucial that a community-centric approach is taken in gearing towards a recovery plan. A traditional top-down approach will

no longer be sufficient in mobilising resources and empowering individuals to control decisions which will now have significant impacts on national health and the economy. As COVID-19 becomes endemic, we must aim to coexist more triumphantly with our enemy. This requires every person to be involved in empowering community champions on the ground, which in turn will allow Malaysia to deal with issues more effectively, specifically and sustainably – all whilst being culturally sensitive.

It is important to have direct engagement with stakeholders. Cultural preferences inevitably shift attitudes towards projects which aim to empower communities, and therefore must be taken into consideration. This includes being sensitive to their preferences, as empowerment programmes may not be to the liking of targeted communities and may instead cause efforts to be thwarted by the lack of enthusiasm.



In order for any recovery plan to be successful, it is necessary for everyone to internalise what it means to live with COVID-19 as endemic. This includes comprehending individual roles in protecting the community by no longer simply staying at home, but staying safe. The NRP must be science and evidence-based and provide a clear timeline of what can be done. There is also a need for systems that are able to test government resilience in dealing with unpredictable changes to the pandemic climate. This will require comprehensive monitoring in ensuring that good plans do not crumble at the wrath of poor implementation. Finally, a reorganisation of decision-making and implementation will be pivotal to a successful transition into recovery. Aside from the strong political will, engagement, empathy, and encouragement will be the pillars that uphold a successful NRP.

## CLOSING ADDRESS

### YB Tan Sri Dato' Haji Muhyiddin Yassin bin Haji Mohd Yassin, Chairman, National Recovery Council (NRC)

The National Recovery Summit 2021 has provided the NRC a valuable opportunity to ensure a systematic and safe path towards recovery. Malaysia's celebration of her 64<sup>th</sup> Merdeka Day and upcoming Malaysia Day has been marked with sombre undertones. They have been a time of deep reflection of the lives that were lost and of the livelihoods that were changed by the COVID-19 pandemic. In tandem with the spirit of 'Keluarga Malaysia' as championed by the newly appointed Prime Minister, YB Dato Sri' Ismail Sabri Yaakob, the Council firmly believes in an inclusive approach in fighting a war against an invisible enemy. This will involve a collaboration between the government, NGOs, and the private sector, finding a shared unity in a common purpose.



The NRP must be dynamic, flexible, and capable of evolution. It must continually respond to scientific developments and involve new policy ideas from all factors of society. This will require inclusivity, transparency as well as speed. The infusion of new technology will be vital facilitating

the successful tracking, tracing, and isolating of Covid-positive individuals. This includes constantly upgrading physical and digital responses. The NRC is to build upon the efforts of the government, which has seen tremendous success in its vaccination rates. The government's stimulus package of MYR538 billion and fiscal spending of more than MYR80 billion has built a strong foundation for Malaysia's recovery.

A nationwide approach will set Malaysia on a trajectory towards recovery in the year 2022. However, this will be a long and painful process for both individuals and businesses alike. An exit strategy must be implemented which will work well in medium and long-term horizons. Clear planning and execution will be pivotal to avoiding a permanent scar on the economy and socioeconomic fabric of the country. The NRP must also look beyond saving lives and livelihoods, carefully considering individual wellbeing and mental health to ensure a holistic recovery plan. Guaranteeing that no one is left behind in the recovery process will facilitate a robust recovery and strengthen Malaysia's position in the post-Covid global world.

To achieve this, the NRC will focus on five key areas. Strengthening Malaysia's healthcare system in its preparedness to exit a pandemic and into an endemic is the first focal area. The Council will also identify economic sectors which require greater attention in incentivising growth in the short and medium-term, such as education, tourism, and SMEs. This second focus will also involve strengthening key strategic sectors which will increase Malaysia's competitiveness. Ensuring that more jobs are created, especially for the youth, is also pivotal. Thirdly, there must be a development of physical and digital infrastructure as a prerequisite to creating a conducive and sustainable ecosystem for inclusive growth. Enhancing the adoption of digitalisation of businesses and government services will be the NRC's fourth target. Finally, growth must be distributed evenly. This is to avoid the widening of income gaps and worsening fault lines and to strengthen social safety nets.

The NRC welcomes industry leaders, youth leaders, and politicians to contribute their ideas in crafting a recovery plan that is in line with the nation's broader interests. The work that lies ahead will require differences in politics and society to be put aside. Malaysia needs all her sons and daughters to restore her country, coming together in unity to heal lives, the economy, and the nation.

**END OF  
PROCEEDINGS**

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**KSI Strategic Institute for Asia Pacific**

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