

CEO FORUM 2021

BUSINESS IN THE NEW NORMAL

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KEYNOTE SPEECH

Shifting the Malaysian Economy into Higher Gear: Assessment, Strategy, and Action

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PLF CEO FORUM 2021 - Business in the New Normal

**YB Dato' Sri Mustapa Bin Mohamed, Minister in the Prime Minister's Department
(Economy)**

**Keynote Speech: "Shifting the Malaysian Economy into Higher Gear: Assessment,
Strategy, and Action."**

Bismillahirrahmanirrahim

Assalamualaikum Warahmatullahi Wabarakatuh and a very good afternoon

Tan Sri Azman Hashim, Chairman of The Board of Trustees, Perdana Leadership Foundation, Distinguished Panellists, Ladies and Gentlemen,

I would like to thank Perdana Leadership Foundation for inviting me to this forum entitled "Business in The New Normal", to say a few words. The title I have been given for my speech is "Shifting the Malaysian Economy into Higher Gear: Assessment, Strategy, and Action".

Ladies and gentlemen,

COVID-19, which started out as a health crisis, quickly evolved into a global economic crisis. The pandemic resulted in cut-backs in demand, severe disruptions to the supply chain, a steep fall in income levels, and knock-on effects in troubled sectors that resulted in wide-scale retrenchment.

Lives, livelihood, and businesses were severely affected. In 2020, our domestic economy contracted by 5.6%. It was our worst economic performance since the 1997 Asian Financial Crisis.

Ladies and Gentlemen,

The business community faced many difficulties – disputes with their counterparties in relation to performance disruption, production delays, payment issues, and cash flow problems.

During the pandemic, many businesses have been vocal and made lots of complaints to the Government, especially with regard to our SOPs. I have highlighted some challenges, but of course, there are many more. This includes mental stress caused by the restriction of movement arising from the pandemic.

While the global and our domestic economy are showing signs of recovery with the medium term outlook being bright, the pandemic's ripple effects are still being felt.

We are now beginning to see signs of recovery, and many businesses except for those who were forced to close-shop, are now back on track.

The Government has done a good job with the eight stimulus packages in alleviating the suffering faced by Malaysians. Our overriding goal was to always put food on the table and protect Malaysian lives and livelihoods.

Ladies and Gentlemen,

Given the challenges prior to the pandemic and the new challenges arising from this crisis, the Government has recognised that we cannot adopt a “business-as-usual” approach in dealing with post-pandemic challenges. We need to take the bull by the horns.

Some of the vulnerabilities and weaknesses exposed by this crisis are certainly not new. Hence, it is imperative that the Government take this opportunity to reform the economy and “build back better”.

In the context of building back better, the 12th Malaysia Plan (12MP) aims to ensure that we can achieve high income status by 2025. At the same time, we have to be more sustainable in order to ensure that we can become a carbon neutral country at the earliest in 2050. The Plan will also provide more balanced development across regions and states to ensure that the fruits of development are equally shared by our citizens.

The government will intensify its efforts to help MSMEs, especially small business owners by implementing income-raising and capacity building programmes in urban and rural areas, as well as by encouraging entrepreneurship and access to financing facilities.

At the same time, the government will also further enhance access to education, healthcare and housing, and improving the quality of life for the urban poor, especially in PPRs.

Ladies and Gentlemen,

The government’s priorities in the next five years include increasing incomes, eliminating absolute poverty, and reducing development gaps between states and regions, as well as ensuring quality growth that is sustainable.

Like the five-year plans that came before, the 12MP provides an overarching trajectory of the government's development agenda. It provides guidance to government agencies, the private sector, investors, and the public at large on the overall policy direction of the Malaysian government. We should all work together in shifting the Malaysian economy into higher gear.

Ladies and gentlemen,

I am pleased to note that the Economic Planning Unit (EPU) has extensively engaged with various stakeholders as early as April of 2019 in preparing for the 12MP that was eventually tabled on the 27th of September.

Going forward, we will continue to work closely with all stakeholders to create a more prosperous, inclusive, and sustainable Malaysia.

Thank you to Tan Sri Azman Hashim and the Perdana Leadership Foundation for organising this forum.

I wish all distinguished panellists and participants a fruitful discussion.

Thank you