

Speech at the World Chinese Economic Summit

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Date : 21/12/2020

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PRIME MINISTER OF MALAYSIA
AT THE
WORLD CHINESE ECONOMIC SUMMIT
21 DECEMBER 2020**

ASSALAMU 'ALAIKUM WARAH MATULLAHI WABARAKATUH

Distinguished guests,
Ladies and gentlemen,

A very good morning to all of you.

1. Let me begin by thanking the organisers for inviting me to address the World Chinese Economic Summit 2020. Having participated three times in

the World Chinese Economic Forum, I am pleased to learn that the Forum has now been rebranded as a Summit, an apt and worthy name-change I must say, given the significance of this event and the reputable participation that it continues to attract.

2. I also understand that this marks the first time the Summit is convened in a hybrid format, with much of the participation taking place virtually. Indeed, this is the new norm that all of us have to embrace, as I too am speaking to all of you, virtually.

3. It is very encouraging to note that the Summit will be addressing a variety of topics that are most relevant during current times, including post-COVID recovery built upon resilient and uninterrupted supply chains; physical, digital and people-to-people connectivity; entrepreneurship; property development and women-helmed businesses. Such a comprehensive discourse becomes even more imperative today, as Governments around the world explore new and inventive pathways to collaborate with their business communities, in hopes of reopening economic sectors, returning workers to employment and reinstating a sense of normalcy to business activities.

4. In Malaysia too, we are hopeful that the private sector will continue to work hand-in-glove with the Government, in order to navigate our economy along a path of robust, sustainable and inclusive recovery that leaves no one behind.

5. As I say this, I must also underscore my Government's unwavering commitment and resolute determination in ensuring that it is the people – the ordinary Malaysians – whom remain at the heart of our economic recovery efforts. As those most impacted by the COVID-19 pandemic also tend to be those most vulnerable, I am firm in my conviction that such efforts will only be purposeful if they bring tangible benefits and greater prosperity to each and every one of our citizens.

Distinguished guests,
Ladies and gentlemen,

6. There is no gainsaying that the COVID-19 pandemic is possibly the harshest health and economic misfortune of our modern times. Global response to the outbreak has been focused on two fronts: FIRST, to preserve human lives and minimise fatalities; and SECOND, to safeguard the livelihoods of our people.

7. Admittedly, the only permanent resolution for us to successfully recover from this health crisis is through equitable and timely access to safe, effective and affordable vaccines. For the sake of all humanity, let us hope that these vaccines become available sooner, rather than later.

8. In the meantime, we must learn to adapt to the new norm and resume our economic activities with renewed resilience, agility and vigour. Indeed, with the right policy tools, targeted intervention measures and novel public-private partnership ideas, we can successfully combat this pandemic and promptly weather the resulting economic crisis.

9. We must therefore, explore all possibilities in this space, so as to enable us to swiftly put in place a system that allows us to strike a delicate balance between our health priorities and our economic needs.

10. In our collective pursuit of this elusive balance, it is of utmost importance that Governments continue to remain true to fundamental philosophies and rules that govern international trade, which in turn provide certainty and predictability for businesses. It then ensues that we must resist protectionism and unilateralism; allow for unimpeded flows of

cross-border goods and services; and ensure minimal disruptions to regional and global supply chains.

11. I would be remiss not to recognise the significant role that the People's Republic of China had assumed, in this regard. As a key proponent of the multilateral trading system, China has been a voice of reason and moderation throughout this crisis, calling for countries to ensure that emergency measures introduced to mitigate the risks associated with the pandemic did not disproportionately affect trade and investment flows. Indeed, China's vocal views that we should not use COVID-19 as an excuse for insularity and inward-looking policies, resonated strongly with Malaysia.

12. Truly, as a developing country with strong global linkages, Malaysia is a firm believer of free, fair and open trade and investment. As the Prime Minister, I wish to take this opportunity to offer my ardent assurance that Malaysia was, is, and will always be, a country that is pro-business, pro-trade and pro-investment. My Government will continue to cultivate an ecosystem that enables businesses to thrive and makes Malaysia an attractive investment destination. We will also pursue policies that ensure favourable market conditions for Malaysian exports.

Distinguished guests,
Ladies and gentlemen,

13. Governments around the world have also placed a special emphasis on the continued sustenance of Micro, Small and Medium Enterprises, as well as the survival of budding entrepreneurs, in framing their response to the COVID-19 crisis.

14. In Malaysia, Micro, Small and Medium Enterprises account for close to 98 per cent of all registered business entities. With GDP contribution of approximately 40 percent, Micro, Small and Medium Enterprises are also responsible for the employment of more than 60 per cent of our workforce. It is therefore pertinent that the Government employs everything within our means to ensure the survival of Micro, Small and Medium Enterprises through this unprecedented crisis.

15. In April this year, my Government announced an additional stimulus package that served to complement the earlier packages totalling RM250 billion. This supplementary package, valued at RM10 billion, intensified its focus on mitigating the impact of COVID-19 on Micro, Small and Medium Enterprises through a multitude of customised measures and incentives, including an enhanced wage subsidy programme; financial assistance

through grants and micro-credit schemes; as well as conditional tax deduction.

16. In addition, the recently announced Budget 2021 has also allocated an additional RM1.2 billion in micro-credit financing, to be made available through a number of pre-determined financial institutions. This amount is inclusive of the RM110 million under the Central Bank's Micro-Enterprises Facility, which seeks to encourage entrepreneurship activities among gig workers and those who are self-employed.

Distinguished guests,
Ladies and gentlemen,

17. I cannot overstress the fact that COVID-19 has fundamentally altered the way we live, work and interact. As I had mentioned in the beginning, there is a new norm in this post-COVID world, one that will require some acclimatising to. And it goes beyond wearing masks, washing our hands and maintaining social distancing.

18. The nature of our economic activities; the way in which businesses operate; and the conduct of our day-to-day lives are changing, and rapidly so, due to the COVID-19 crisis. In lieu of face-to-face meetings, we now have virtual or hybrid ones, such as our Summit today. Instead of selling goods and services through a brick and mortar entity, we now have a majority of businesses with an online presence. And instead of a physical classroom setup, we have students attending school through a virtual learning environment.

19. I suppose that in some ways, the COVID-19 crisis has become an unlikely ally for innovation, digitalisation and technology adoption. Businesses that have resisted these enablers in the past no longer have the option to do so, if they were to remain alive and relevant.

20. Today, enterprises of all sizes and sectors sell their goods and services through e-marketplaces. We are also witnessing a flurry of activities in e-banking systems, e-wallets and end-to-end logistics services. Indeed, these are all reflective of the sweeping changes within the very DNA of our businesses. Their core models and traditional formats are steadily evolving, and Governments must respond to these changes adequately, appropriately and astutely.

21. With that, allow me to conclude my address by wishing everyone a productive and fruitful Summit, ahead. As we are now nearing the end of the year, I also take this opportunity to wish one and all Merry Christmas and Happy New Year!

Thank you.

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Source: <https://www.pmo.gov.my/2020/12/speech-at-the-world-chinese-economic-summit/>