

Special Address

by

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

[Check salutations]

Excellencies, distinguished speakers, ladies and gentlemen

A very good afternoon.

1. It is an honour to be reinvited back to address delegates of this year's Malaysian Economic and Strategic Outlook Forum. I thank Tan Sri Michael Yeoh as well as the KSI Strategic Institute for Asia Pacific for giving me this opportunity once again to share the Ministry of Domestic Trade and Consumer Affairs upcoming initiatives this year and efforts recently undertaken. Afterall, recognising the importance of the Ministry's role and that of its agencies in economic recovery, is key to rebuilding a better nation.

2. I understand that sessions conducted this morning were focused on the country and region's economic outlook, where experts gave their analysis and predictions of what is to come. While this is most helpful, much attention has been focused on foreign direct investment and international trade. However, the importance of domestic trade activities is equally pivotal in economic recovery.
3. I've also been told that my esteemed colleague, YB Tan Sri Dato' Haji Muhyiddin Yassin, earlier today had shared the progress of economic recovery in the past few months, as we move from various phases of recovery and allowing people to participate again in commerce and life in general.
4. Indeed, the past year has continued to see many challenges thrown at businesses, large and small, as none have expected the pandemic to have lasted this long. However, the government's efforts, including that of ours at KPDNHEP has done much to cushion the impacts on businesses, to ensure their survival.
5. Stimulus packages dispersed through various agencies and financial institutions have provided a lifeline and relief to businesses struggling to make ends meet during times when the economy was inert due to lockdowns.
6. KPDNHEP even undertook its own active steps to accelerate the rates of COVID-19 vaccinations by undertaking our own vaccine programme in the form of the Retail Industry Vaccination Programme (RIVAC) for the protection of workers in the retail sector and to accelerate the speed of vaccination. This programme has helped 56,000 workers in the retail sector. The act of vaccination comes with

a literal boost of life which is crucial for the economy as every death to COVID is an untimely loss of a productive member of society.

Ladies and gentlemen,

7. The government strategy in the last two years was focused on business survival. The focus is on strengthening the fundamentals of businesses of all shapes and sizes, not only to overcome the pandemic, but with an eye on the future economy.
8. As such, the Ministry has taken steps to strengthen business fundamentals to allow Malaysian SMEs to compete in a modern technological age. Following the plans of the MyDigital Blueprint that was launched in February 2021 to transform the Malaysia into a digital economy by 2030, we have continued to assist businesses to embark on digitalisation programmes leading to an increased adoption and uptake of e-commerce platforms, including the enabling of e-wallet transactions through the Ministry's own Retail Digitalisation Initiative (REDI), launched in April 2021. While the pandemic has further accelerated this uptake, much more needs to be done to encourage business – small and large, to take on this transformative process which will ultimately be beneficial for their balance sheets.
9. With the crisis shifting from pandemic to endemic and the risk of life loss at lower levels, confidence is beginning to return to consumers who are venturing out once more. I strongly believe 2022 will easily be a brighter year for all Malaysians as business activities start to pick up.

10. As the effects of the pandemic subside and people's lives gradually return to a state of normalcy, Malaysia must posture itself to move forward – not backward as to how businesses were operated pre-pandemic.
11. In an interconnected world where a micro business can have markets internationally, we have to position ourselves to go beyond our domestic walls and exploit more lucrative opportunities abroad.
12. We must not overlook the fact that our neighbours too have taken proactive steps to undergo digitalisation processes for their businesses. Competition, therefore, is expected to be stiff with the market promising to become more saturated with more and more global players in every sector. We truly cannot afford to remain stagnant and broaden our game in the digital space.

Excellencies, ladies and gentlemen,

13. We must not forget why we pursue these plans and initiatives which is to bring greater prosperity to all. This is the basis of Keluarga Malaysia where the goal is for common prosperity – to look out for one another as a family through the eradication of poverty.
14. As consumers, we must also take deliberate steps to support local businesses. These micro and small businesses are what makes Malaysia what it is. It is small businesses that bring out a sense of community and Muhibbah. It is in our pasar pagi and pasar malam where we see a mix of Malaysians engaging in commerce, regardless

of race of religion. Hence, we must go the extra mile to support our local businesses.

15. In line with this, the government will continue to intensify high-impact campaigns such as the Buy Malaysian Products Campaign (KBBM) and Mega Sales Programme (PJM) in the hope of seeing higher sales of Malaysian-made products.
16. At the same time, our local businesses must step up to provide the best products and services by offering better quality. To do this, a competitive spirit needs to be cultivated where each person, be it business owners or employees, have to do their best and go beyond, rather than just carry out run-of-the-mill activities.
17. With a competitive spirit, other values will manifest, including innovation, as people will think of new ways to set themselves apart to offer better products and services, ultimately providing better value to consumers.
18. As mentioned earlier, we must realise that we are no longer competing with others in the domestic market, especially in a time where even the most basic of household items or niche items, can be bought seamless on e-commerce platforms. In short, we can no longer remain comfortable and operate business as usual in this interconnected global market. Instead, we need to find new value propositions for our customers if we hope to sustain their patronage.
19. Malaysians must step up and become a more productive society. If such a business environment can be cultivated in our domestic industries, it will only be natural for international investors to take an interest to set up operations in our country. It truly begins from us.

Excellencies, ladies and gentlemen,

20. This Ministry is aware of the struggles by businesses and consumers with escalating prices, particularly the cost of food products. Globally, the price hike happened due to rampant demand for goods and services that met bottlenecks due to supply chain disruptions. While many of these price increases are caused by external factors beyond the government's control, we are, nonetheless, doing our best to contain the situation.

21. We also acknowledge that for households with low disposable income levels where food expenditures are a large share of the budget, rising food prices result in diminished purchasing power and may force difficult budgetary trade-offs. To help food-deficient households during periods of rising prices, the government is taking a holistic approach to tackle all related factors and impacts, in order to retain consumer purchasing power during periods of rising food prices.

22. In fact, KPDNHEP has responded by launching the Keluarga Malaysia Maximum Price Scheme in line with the Prime Minister's vision of Keluarga Malaysia. This is done in hope of stabilising prices and lightening the burdens of the cost of living for the rakyat and avoid further hardship.

23. The government has also undertaken the Keluarga Malaysia Sales Programme (PJKM) targeted at the B40 and M40 residential areas, that offers between 20% to 50% discounts, to ease the people's

financial burden. This programme that begun last December has attracted some 426,305 visitors at 274 locations nationwide with a recorded sales of RM7.8 million as of mid of January 2022. With a budget allocation of RM100 million, this programme will be carried out until March this year.

24. I would also like to reemphasis the Prime Minister’s stern reminder to all players in the supply chain not to take advantage of this situation by unnecessarily increasing prices of good. Those that do will face harsh action and fines.

25. We all need to play our part to mitigate unnecessary inflation, which will be damaging to our economy during such times. Unsustainable levels of inflation could also cause trading activities to stall, which is why it must be managed closely.

26. To mitigate this issue, the government has allocated RM33 million under the 2022 Federal Budget to revitalise the trade distribution sector. Helping high-impact initiatives such as this will help the domestic recover more quickly.

27. The government is also encouraging businesses to be bold and push to realise their full potential. Empowerment is key which is why KPDNHEP is pursuing the micro and affordable franchise development programme to elevate deserving businesses with grants to enable them to develop their own franchise. This will help aspiring

franchise industry players from the Bottom 40 and Middle 40 groups develop more attractive franchise packages worth RM100,000 and micro franchise packages worth RM50,000 and below, in doing so increasing the number of entrepreneurs with excellent business prospects.

28. There are many more initiatives that are in the pipeline and being planned, all in a strong effort by my Ministry to strengthen and boost our domestic economy. After all, common prosperity for all is the very essence of Keluarga Malaysia.

Excellencies, ladies and gentlemen,

29. I would like to end my speech by urging all delegates of this virtual forum to help the economy to strive forward by being bold, making calculated risk, and by doing business once again with the larger business community. It is by engaging in commerce at a nationwide scale can we help each other to overcome our challenges and position ourselves at greater heights.

30. With that, I thank KSI once again for this initiative as the points shared by speakers has provided greater insight to the government and business community at large, enabling us all to make wiser strategic decisions for the year ahead. Let us work together to bring this country forward. Thank you.