

**INVEST MALAYSIA 2020
KEYNOTE ADDRESS: REBUILDING MALAYSIA UNDER
THE NEW NORMAL**

**KEYNOTE ADDRESS
YB DATO' SRI MUSTAPA BIN MOHAMED,
MINISTER IN THE PRIME MINISTER'S DEPARTMENT
(ECONOMY)**

20 JULY 2020

BURSA MALAYSIA, BUKIT KEWANGAN, KUALA LUMPUR

Ladies and gentleman,

Assalamualaikum warrahmatullahi wabarakatuh and a very good morning.

1. Welcome to Invest Malaysia. I would like to thank Bursa in particular and the organisers for inviting me to share my thoughts on infrastructure development this morning.
2. The last four months of course have been the most trying and challenging for all of us. It was not run of the mill economic crisis like the previous three our country went through. It was a health crisis that we all know affected every sector in the Malaysia economy. Some would add that this was also a political crisis, in late February.
3. Now, just a few days past the four months marks of the MCO, I can completely say to the capital leader and market investors that the government is all hands on deck on addressing the economic issues arising from COVID-19.
4. We have been lucky the day after the new cabinet were sworn in on 10 March; the Prime Minister announced the setting up of the Economic Action Council (EAC), which was to meet weekly.

5. The Prime Minister and his economic team as well as Secretariat headed by Tan Sri Noor Azlan Ghazali has been very focused in designing and implementing strategies to deal with our socio-economic challenges. To get to where we are today, there have been many engagements and very close coordination between all agencies in the government, businesses and various organizations involved in the recovery process.
6. Now almost all the economic sectors have reopen, retail sales are increasing and domestic tourists are slowly bringing life to the tourism sector.

Ladies and gentleman,

7. The stock market of course is a very important barometer of the country's economic health. Stock market has shown some sign of life, of course it is a very exciting development in gloves and palm oil as well which my colleague will be sharing with you in the next few minutes.
8. The FBM-KLCI has crossed above the pre COVID level, exports are up and running once again. It is now time to look forward.

9. The 12MP which is to be presented to Parliament in the first quarter in 2021 will outline the key strategies and initiatives that will serve as guarding principles for Malaysia economic policies in the next five years and indeed beyond. The plan will be align with the Shared Prosperity Vision 2030 (SPV 2030) as well as UN 2030 Agenda for Sustainable Development (SDG). Elevating poverty, reducing income inequality and bridging regional disparity including disparities in infrastructure development will be given the highest priorities in the period 2021-2030.

Ladies and gentlemen,

10. Since Merdeka, we have gone through a massive transformation. We have moved up from being low-income country to a high-middle income country. In the region of physical infrastructure, our roads, ports, highways, railways and airports are world class.
11. From the country defined by our unevadable rainforest and dangerous swarm, we are now a country with strolling highways, thriving airport and bustling seaport.

12. COVID-19 of course have had some impact on the activities in some of these locations. We have constructed over 200,000 km of roads to 290,000 km of railways, 28 airports and 18 seaport. Malaysia is connected from north-south-east-west and Peninsula to Borneo.
13. The infrastructure planning in the 11MP, the plan we are now in, was aimed at balancing investment of roads, rail, airports and services while at the same time improving the efficiency, productivity and affordability of all the services as well as enhancing user experience. The 12MP will further expand on these strategies.
14. There are number of high impact project and interceptions such as the Klang Valley Mass Rapid Transit Line Two (MRT 2), Transit Line 3, East Coast Rail Link and the Pan Borneo Highway. The Rapid Transit System (RTS) linking Johor Baharu and Singapore hopefully will begin soon. We are also talking to our Singapore colleagues on the revival of the High Speed Rail Project.
15. The implementation of these entire projects will significantly improve connectivity in the country. Efficient transportation, excellent connectivity and improved logistics are important for the next phase of Malaysia's development. In addition, there has to be better transport planning and enhance

coordination between agencies involved in infrastructure sector. As a trading nation, better connectivity with the rest of the world is important and vital for our competitiveness and future economic growth.

Ladies and gentleman,

16. While we have done well in the most recent ease of doing business, ranking by the World Bank moving up three notches from position number 50 to number 12 out of 190 countries, it is very commendable.
17. The World Bank Logistic Performance Index which is a benchmark identifying challenges and opportunities of countries on trade and logistic which is published bi-annually shows that in 2018 the ranking among 160 countries we are number 41 which is down 9 positions compared to previous ranking in 2016.
18. The infrastructure component have particular decline from 33 to 40. The challenge going forward is to renew our commitment to improve the quantity and the quality of our infrastructure.

Ladies and gentleman,

19. Let me say a few words about public private partnerships. The public private partnership approach has been a catalyst for greater private sector participation in the Malaysian Economy. Under the 10MP and 11MP, a facilitation fund over RM20bil was established to catalyst private sector investment in numbers of strategic areas.
20. From the RM20bil allocated, RM5bil is being allocated for land acquisition and the remaining RM15bil would act as a tipping point to help the private sector finance projects. It aims to help breach the private sector viability gap with respect to project that have a high strategic impact and those with huge spill over impact.
21. To date, 320 facilitation fund projects worth about RM14.2bil have been approved by these the facility fund. The project have created about RM230bil worth of economic activities. Moving forward, we are doing this approach in particular to ensure that this approach will continue to contribute towards countries economic development. Of course, this will be done in the context of the financial situation of the country.

Ladies and gentleman,

22. Besides building new infrastructure, we must also increase allocation for maintenance. Our roads and highways not to mention schools and some public buildings in general are in need of better maintenance. Treasury resources of course are limited; however, we will try our best to provide more allocation for the maintenance and infrastructure facilities.
23. Going forward, the challenge is still near comparative to the region and indeed the world. To remain comparative we need to continue improving the quality of both hard and soft infrastructure as well as maintaining them to the best of our ability.

Ladies and gentlemen,

24. A few words about what's in store in the next few months. Firstly, it's going to be quite a number of documents to be presented to the public, there are 3 altogether. One is Economic Recovery Plan, the medium to long term recovery plan. The short term plan have been presented a few times by the Minister of Finance and next we have been

working for the last few weeks on the medium to long term recovery plan that will be presented in October 2020.

25. Secondly the budget on the 6th of November this year and finally the 12MP in the first quarter of 2021. These are three major documents, which the government will present to the public. On the recovery plan, as I said, would be presented in October is an opportunity for us to have a hard look at some challenges we are facing and this plan will address a number reform measures. We will be looking at the future of workforce, labour market reforms and quality investment.
26. The digital economy of course is a very important component of the reform process. Looking at the role of some public institutions and of course the role of the private sector in spearheading Malaysia's economic development in going forward.
27. These are three major documents, which will be presented to the public, and this will be providing some guidelines for the long-term growth and sustainability of the Malaysian economy.

28. These documents of course will be carefully followed by the members' of the private sector and hopefully we will be able to announce a number of major reforms and the long term recovery plan to be presented in October this year and this will set a firm foundation for the future growth and sustainable development of Malaysian economy.
29. In summary, we have done a lot in the infrastructure, some of the facilities are world class and going forward would be revisiting some of the approaches infrastructure development. We acknowledge that infrastructure development are critical for the contribute progress of this country.
30. We acknowledge that there is a need to reduce the gaps between various regions in the country. We also acknowledge the fact that some part of Malaysia require the provision of very basic facilities that have been lacking in the last decade.
31. We are in the process of looking the overall micro-economic situation of our financial resources and by the first quarter of next year would be in a position to announce the total size of the 12MP allocation for the next five years. Our desire to continue improving our infrastructure. We

acknowledge that our infrastructure development is so critical for the continued development of the Malaysia economy.

32. Once again, thank you for inviting me to say a few words in this very important seminar that used to be attended by hundreds of people. Now it is normal we have this approach but I am sure it is going to be meaningful in terms of sharing ideas on how we should move forward in reshaping Malaysia's economy post COVID-19.

33. Once again, thank you for inviting me to share my thoughts on a subject on Malaysia's Infrastructure Development and my colleagues will address the subjects of gloves and palm oil in the next few minutes.

Thank you Tan Sri and thank you everyone.