

OPENING ADDRESS
YB DATO' SRI MUSTAPA BIN MOHAMED
MINISTER IN THE PRIME MINISTER' DEPARTMENT (ECONOMY)
DOMESTIC DIRECT INVESTMENT (DDI) FORUM
NATIONAL CHAMBER OF COMMERCE AND INDUSTRY OF
MALAYSIA (NCCIM)

Event: Friday, 27 May 2022, 9.00 a.m.

Yang Berbahagia, Dato' Low Kian Chuan

President of the National Chamber of Commerce and Industry of Malaysia (NCCIM) and the ACCCIM;

Dr. Haji Abd Halim bin Husin

President of the Malay Chamber;

Datuk N. Gobalakrishnan

President of the Indian Chambers;

Madam Christina Tee Kim Chin

President of the International Chamber;

Tan Sri Dato' Soh Thian Lai

President of FMM;

Ladies and Gentlemen,

Bismillahirrahmanirrahim

Assalamualaikum warahmatullahi wabarakatuh, Salam Keluarga Malaysia and Good Morning.

1. Thank you for inviting me to deliver the keynote address for NCCIM's forum on Domestic Direct Investment (DDI).
2. The past two years have been very challenging for the Malaysian economy, as we navigated our way through the unprecedented COVID-19 pandemic. The economic and business fallout was substantial – our GDP contracted by 5.5% in 2020; consumer demand collapsed by 4.3%, while private investment tumbled by 11.9%.
3. Our economy grew by five per cent in the first quarter of 2022. While we are optimistic of continued robust growth in Q2 of this year, the second half of the year remains uncertain with the war in Ukraine still hogging the headlines, the rising commodity prices and supply chain disruptions.

Ladies and Gentlemen,

4. Private investments are key to driving a sustainable economy post-COVID-19. It accounts for 15.6% of the total GDP in 2021. Before the pandemic began, private investments have grown by 4.8% per annum from 2016 to 2019. In 2020 however, it tumbled sharply by 11.9%, before rebounding moderately to 2.6% in 2021.
5. The Government recognises the need to enhance private investments to realise its vision of achieving high income nation status by the year

2025. The goal is for private investments to increase by 3.8 per cent per annum during Twelfth Plan compared to the 1.2% per annum stated in the previous Eleventh Malaysia Plan.

Ladies and gentlemen,

6. DDI is just as important as Foreign Direct Investments (FDI). Striking the right balance between the two is essential as they are complementary to one another. While we promote FDI, we must be equally aggressive in promoting DDI.
7. The recently concluded survey by the NCCIM has shed some light on the issues and challenges surrounding DDI in our country. These include a weak investment climate, the uncertain global environment and high operating cost. The report also included key policy recommendations to combat these issues. These recommendations have been escalated to the Economic Action Council about a month ago and the Council will follow up on some of these recommendations.

Ladies and Gentlemen,

8. The Government seeks to expand and implement policies that would enable us to realise our economic potential over the medium to long run.
9. The Twelfth Malaysia Plan aims to restart and rejuvenate Malaysia's socioeconomic development for long term sustainability and prosperity and to also improve the wellbeing of the *rakyat*.

10. This five-year plan is complemented by the annual budgets, the eight stimulus packages as well as the Malaysia Digital Economy Blueprint.
11. The Government also adopted the National Investment Aspirations (NIA) to revitalise Malaysia's investment climate by putting in place a comprehensive approach to enhance the investment ecosystem in responding to emerging trends and meeting the evolving needs of investors. These policy reforms will cover a wide range of elements such as incentives, infrastructure, regulatory and institutional mechanisms.

Ladies and Gentlemen,

12. Moving forward, we will continue to collaborate closely with the private sector to create a more welcoming and efficient business environment for both domestic and foreign investors.
13. In doing so, the Government will continue to have engagements and open discourse to gather constructive feedback from the business and investment communities.
14. Today's forum is a great platform for us to have discussions on macro and micro issues, the hurdles that can hinder domestic investments, and more importantly proposals to boost DDIs.
15. I would like to thank NCCIM and the 600,000 members from five constituent chambers for your valuable contributions to Malaysia's economic and industrial transformation.

16. We must work together to make Malaysia a conducive place for doing business.

17. I wish everyone here a very productive forum.

Thank you.