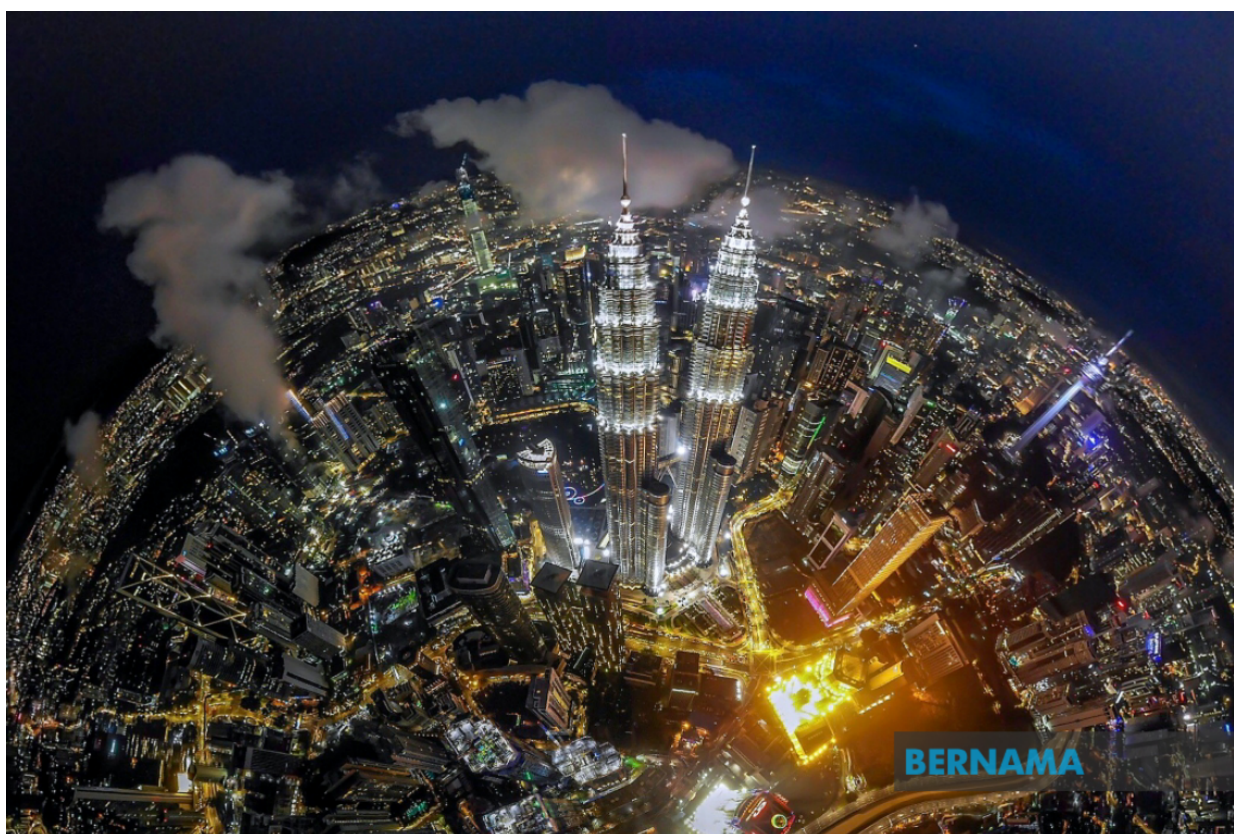




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Worst is behind us, Malaysia will emerge stronger by year-end – Tengku Zafrul

PRESS CITATIONS | 08 MARCH 2021



KUALA LUMPUR, March 8 – The systematic roll-out of the National COVID-19 Immunisation Programme and the country's economic recovery plan that embeds strict adherence to standard operating procedures (SOPs) will be the key to drive Malaysia back on its track, making it stronger by end-2021, Finance Minister Tengku Datuk Seri Zafrul Abdul Aziz said.

He said based on the current data, the country's gross domestic growth has slowly shown signs of recovery since the movement control order (MCO) 1.0 in March 2020 .

"We have many reasons to believe that the worst is behind us. I am certain that Malaysia will emerge stronger by the end of the year," he told Bernama.

Tengku Zafrul said the economic sectors that were allowed to operate based on strict SOPs covers 93 per cent of the economy during MCO 2.0 and this has resulted to an output loss of RM300 million per day compared with the RM2 billion per day during MCO 1.0.

He also said the four economic stimulus packages totalling RM305 billion, or more than 20 per cent of gross domestic product (GDP), coupled with the gradual reopening of the economy since early May 2020 has supported the 2020 GDP by approximately four percentage points.

This has also contributed to the 24 per cent increase in the GDP from RM289.4 billion in Q2 2020, to RM357.4 billion in Q4 2020.

In addition, Budget 2021 tabled last year along with the PERMAI assistance package would further complement Malaysia's economic recovery and cushion implications from the COVID-19 containment measures.

"Moreover, Malaysia's National COVID-19 Immunisation Programme which has commenced since late February 2021 will support the reopening of our economy and spur business activities. This will be supported by a robust recovery in global trade and higher crude oil prices," he explained.

Tengku Zafrul said the ministry is targeting the country's deficit to be less than 6.2 per cent of GDP for 2021, depending on how fast the economy recovers and the government's focus on supporting certain sectors to grow the local economy.

The country's deficit rose to 6.2 per cent of GDP in 2020 from 3.4 per cent in 2019.

Meanwhile, Tengku Zafrul also encouraged all Malaysians to register for the vaccination through the MySejahtera app, or the official website as advertised by the Special Committee on COVID-19 Vaccine Supply Access Guarantee.

"It is crucial for the country to achieve herd immunity as soon as possible to ensure full recovery of the economy, including sectors that were hit hardest such as tourism, retail and aviation."

On different development, the ex-banker said Bank Negara's decision to maintain the overnight policy rate at 1.75 per cent at its recent monetary policy meeting would help ease the cashflow of individuals and businesses, encourage consumer spending and spur more lending activities by the financial institutions.

"This will provide an impetus towards our economic growth – complementing the government's fiscal measures in ensuring a sustainable recovery of the economy."

The Finance Ministry has released a one-year report of its accomplishments in conjunction with the Perikatan Nasional government's first year anniversary.

In the report, Tengku Zafrul said the COVID-19 pandemic had resulted in an unprecedented socio-economic impact by Malaysia with huge risks to public health and a loss of about RM2.4 billion a day to the economy during MCO 1.0.

To address this pandemic, the government has formulated a 6R strategy, covering six levels: Resolve, Resilient, Restart, Recovery, Revitalise and Reform.

"The implementation of various types of initiatives including the PRIHATIN Economic Stimulus Package is supported by the use of current data, which enables immediate intervention and coordination to ensure effective delivery," he said.

MCO 1.0 has resulted in a contraction in GDP of 17.1 per cent in the second quarter. However, the government's swift action has yielded positive results as the country's economy finally recorded a lower than expected contraction rate of 5.6 per cent for 2020.

The measures also helped lower the unemployment rate from 5.3 per cent (May 2020) to 4.8 per cent (December 2020).

"However, there is still a lot to be done. Budget 2021 and the PERMAI aid package will help. I am also confident that 80 per cent of Malaysians are expected to be vaccinated by early 2022 which will drive the country's economic recovery.

"Meanwhile, the Finance Ministry and LAKSANA will continue to ensure that all initiatives are implemented and monitored properly so that our people and country can recover and emerge more resilient than before," he said.

On March 16, 2020, an inter-agency economic stimulus implementation and coordination unit (LAKSANA) was formed to monitor the implementation of the economic stimulus packages.

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