

KEYNOTE SPEECH

**YB DATUK SERI SAIFUDDIN NASUTION BIN ISMAIL
MINISTER OF DOMESTIC TRADE AND
CONSUMER AFFAIRS**

THE MALAYSIA TRADE AND CONSUMER FORUM

ON

28 MAY 2019

VENUE

**BALLROOM, LEVEL 1,
EVERLY HOTEL, PUTRAJAYA**

Assalamualaikum warahmatullahi wabarakatuh,

Very good morning to the distinguished speakers and participants.

Yang Berusaha Mr Cheah Chyuan Yong,
Chairman of the International Strategy Institute (ISI),

1. It is a great honour for me to deliver the keynote speech at this forum today. I would like to congratulate the International Strategy Institute (ISI) for hosting this forum and for their excellent hospitality.
2. **“Justice for All”** is the main political philosophy guiding me and my ministry today. I believe that this is the most sustainable and inclusive policy for a beautiful multi-racial and multi-cultural country such as Malaysia.
3. From a broad economic perspective, Sustainable Development is perhaps the economic policy most consistent with the “Justice for All” political philosophy. How do we translate this in the context of the role of the Ministry of Domestic Trade and Consumer Affairs (MDTCA)?
4. We looked for guidance from global efforts and best practices in Sustainable Development. The most comprehensive vision we have found is the United Nations Agenda for Sustainable Development with its 17 Sustainable Development Goals (SDGs).
5. The overarching goal of the SDGs is to harmonise core elements that are crucial for the well-being of the people, which is economic growth, social inclusion and environmental protection.

6. It is inconceivable to think about ending poverty without simultaneously taking steps towards achieving peace, dealing with natural disasters, connecting people to the market economy via better access to infrastructure, or reducing the impact of climate change.

7. We have identified 7 SDGs that are broadly related to MDTCA:
 - (a) SDG 1- No poverty;
 - (b) SDG 2- Zero hunger;
 - (c) SDG 8- Decent work & economic growth;
 - (d) SDG 9- Industry, innovation & infrastructure;
 - (e) SDG 12- Responsible consumption & production;
 - (f) SDG 16- Peace, justice & strong institutions; and
 - (g) SDG 17- Partnerships for the goals.

Distinguished Speakers, Ladies and Gentlemen,

8. With these 7 SDGs as a guide, we have formulated main policies for the Ministry which are; **Zero Waste Policy, Affordable Cost of Living, Innovative Problem Solving** and **Ensuring Fair Competition.**

Zero Waste Policy

9. A zero waste policy involves reusing all resources to decrease the impact on the environment. The zero waste philosophy entails redesigning the life cycle of a product so that every part of the product is reused and minimum waste is sent to the landfills or incinerators.

10. Overall, businesses that adhere to a zero-waste policy see it as an efficient, lucrative, and ethical guide to create sustainable life cycles where discarded materials become resources for others.
11. A zero waste mentality encourages us to think about how we can make supply-chains more efficient and how we can reuse products and other mechanisms to reduce waste. The mindset shift from “discarding” to “reducing” and “reusing” is very important for the success of a zero waste policy.

Affordable Cost of Living

12. We must strive to ensure a decent and comfortable lifestyle for the majority while protecting vulnerable communities in the country. We cannot simply look at lowering costs or increasing income but perhaps focus more on increasing productivity and purchasing power for all segments of the community.
13. Ensuring an affordable cost of living is a subset of sustainable development and, as such, has direct linkages to a number of SDGs. In particular, clear links can be drawn to SDG 1 - No Poverty, SDG 2 - Zero Hunger and SDG 8 - Decent Work and Economic Growth.

Innovative Problem Solving

14. Innovation as a new form of social and organisational practice is not only an explicit focus of SDG 9, industry, innovation & infrastructure, but also a key enabler for most of the SDG goals.

15. Society needs to balance economic progress with the solving of societal problems through the application of innovative technologies. In the future, all industrial and social sectors will adopt and utilise Artificial Intelligence (AI), Internet of Things (IoT), robotics, big data and other cutting-edge technologies.
16. However, these technologies must also be used to solve our economic and social problems. For example, if applied innovatively, robotics and automation can help to solve our foreign labour problem.

Ensuring Fair Competition

17. In 2012, the Competition Act 2010 came into effect to foster healthy competition among businesses and promote investor confidence in Malaysia. The Competition Act is designed not only to promote healthy and fair competition in the market but also to benefit the man-in-the-street with competitively priced goods and services.
18. The law was not designed to inhibit businesses but to create a level playing field for all industry players by avoiding concentrations of market power and encouraging open and healthy competition.

Distinguished Speakers, Ladies and Gentlemen,

19. These four (4) policies have guided me and my ministry in formulating new programmes and initiatives, such as:

- (i) the reactivation of the National Action Council on Cost of Living (NACCOL);
- (ii) the establishment of Food Bank Malaysia;
- (iii) the commencement of a comprehensive Food Supply Chain analysis;
- (iv) MyCC's aggressive efforts to combat bid-rigging;
- (v) the implementation of targeted subsidy; and
- (vi) efforts to reduce the cost of living by promoting E-Commerce.

20. **NACCOL**

- (i) The National Action Council on Cost of Living (NACCOL) has been reactivated and tasked to look into measures to ease our citizen's cost of living including addressing poverty in all its forms.
- (ii) The Council has formed inter-ministerial clusters to look into efforts to alleviate 6 main contributors to the cost of living based on data by the Department of Statistics Malaysia (DOSM). Those 6 main contributors are food, housing, utility, transportation, health and education.
- (iii) To date, the government has reduced the prices of fixed broadband by at least 25%, introduced the My100 pass, a monthly pass which can be used for unlimited rides on public transport networks, introduced a 20% cut in KTM commuter fare and fixed the retail price of RON95 petrol and diesel at RM2.08 and RM2.18 respectively.

- (iv) Further, more essential items have been included in the Festive Season Price Control Scheme. The enforcement period of the scheme has also been extended. These measures will protect consumers from price fluctuations during festive seasons.

21. **Food Bank Malaysia**

- (i) As part of the ministry's "Zero Waste" policy, the ministry started the Food Bank Malaysia programme. The aim of this programme is to channel food surplus in Malaysia, which can reach up to 3,000 tons a day, to feed the needy.
- (ii) It is hoped that Food Bank Malaysia can help to reduce the cost of living of the recipients, who are from the B40 community. By helping them save on their daily food expenditure, this initiative indirectly increases their disposable income for other important matters such as education and health.
- (iii) Until today, about 120,000 recipients have benefitted from the programme. Since March 2019, Food Bank Malaysia has also been extended to various public universities under the name of "Food Bank Siswa".
- (iv) The Food Bank Malaysia programme is implemented via a voluntary-basis model through smart partnerships with the private sector and non-governmental organisations.

- (v) In order to ensure systematic and efficient implementation of the programme, the government has also established the Food Bank Malaysia Foundation, in order to coordinate efforts to distribute food surplus across the nation.
- (vi) The Ministry is expected to table a bill to protect both recipients and contributors by the end of this year.
 - (i) This initiative is in line with the country's commitment to reduce food wastage under the United Nations Sustainable Development Goals (UNSDG).

22. Study on Food Supply Chain

- (i) The Ministry has commenced a comprehensive study on the supply chain of certain food items in order to explore, understand and identify cost elements which influence the final retail price of those items. The result of this study will help guide the government in the formulation of policies on supply chain matters.
- (ii) Based on a preliminary evaluation conducted earlier this year, the Ministry found that there are cases where prices of certain food products have been marked up by 67% to 133% before reaching the retailer.
- (iii) As a result, the Ministry is conducting further analysis to gauge precise data on the reason behind this rise in cost, which is expected to be concluded by the third quarter (Q3) of this year.

23. Combating Bid-Rigging through MyCC

- (i) Market competition enhances efficiency, promotes innovation and leads to wider product choices, thereby improving consumer welfare. Competition law plays a significant role in achieving sustainable and inclusive market growth.
- (ii) The Malaysia Competition Commission (MyCC) is currently looking closely into public procurement policies and advocating for a more transparent and competitive procurement process to avoid the waste of public resources due to bid-rigging practices.
- (iii) MyCC recently issued its first penalty involving bid-rigging offences amounting to RM 1.94 million to 8 companies. It is hoped that this will convey the message that the government is committed to combat any form of anti-competitive practices in Malaysia.

24. The Implementation of a Targeted Subsidy Mechanism

- (i) The government is in the final stages of implementing a targeted fuel subsidy mechanism for RON95.
- (ii) Besides RON95, the government is also looking into implementing targeted subsidy mechanisms for other consumer products such as cooking oil, flour and liquefied petroleum gas (LPG). By doing this, the government can achieve big savings. With the savings, we hope to extend subsidies to the M40.

- (iii) This initiative is also crucial to avoid losses by the government due to the misappropriation of subsidized goods and smuggling activities. These materials are smuggled to neighbouring countries via land and sea routes, while misappropriation is done by unethical industry players.

25. E-Commerce

- (i) The ministry believes that the proliferation of e-commerce can reduce the cost of living for consumers. This is because online businesses incur lower costs and in turn, can offer more attractive prices to consumers.
- (ii) However, based on the Global Consumer Insights Survey 2018 done by PwC, consumers in Malaysia still prefer shopping in brick-and-mortar stores weekly as it is a social experience for them and gaining trust for online businesses takes time.
- (iii) Further, with the rise in e-commerce activities, more and more consumers are becoming victims of fraud and misrepresentation by certain unethical online traders. On this note, for the month of April 2019 alone, the Ministry has received 534 complaints related to online transactions. We will take swift action and enforce the related laws to maintain consumer's confidence in e-commerce.

- (iv) The Ministry will continue to tackle issues faced by consumers, formulate new approaches and coordinate efforts to strengthen the e-commerce sector in Malaysia.

Distinguished Speakers, Ladies and Gentlemen,

- 26. It is my wish to strike a balance between promoting the development of sustainable domestic trade policies and to protect the rights as well as the interest of consumers.
- 27. I am optimistic about the current programs as well as other initiatives the Ministry has planned moving forward. With the continuous help and support of the private sector, I believe that we can grow the domestic economy together.
- 28. I have shared with you our policy framework and some of the Ministry's new initiatives. Any feedback and suggestions to improve our policies and programmes are always welcome.
- 29. I thank you once again for the opportunity to be a part of this event. I hope that all of you will gain much from the sharing and business networking opportunities offered by this forum.

Wabillahi Taufik Walhidayah,

Wassalamualaikum Warahmatullahi Wabarakatuh