

# **OPENING KEYNOTE ADDRESS DATO' SRI NAJIB RAZAK**

**MEMBER OF PARLIAMENT PEKAN &**

**MALAYSIA'S 6th PRIME MINISTER**

**BUILDING OUR COMMON AGENDA**

**25 MARCH 2022**

## **Introduction**

1. Before I begin, I wish to extend my appreciation to our country's police force, as Polis Diraja Malaysia (PDRM) marks its 215th Police Day Anniversary today. The journey of over 215 years is no mean task, having worked tirelessly in combating the COVID-19 pandemic. I pray that all officers be continuously blessed and protected by the Almighty from all forms of threats and calamities, and for all their fallen heroes to be placed among the righteous.

2. I thank the International Strategy Institute (ISI) for inviting me to the 2nd Penang International Business and Investment Summit. This reflects my relentless commitment to bring this country forward.
3. The past two years have shown us that the Malaysians' frustrations run deeper than these most recent political battles. Their frustration is rooted in their own daily battles – to make ends meet, to pay for college, buy a home, save for retirement, to name a few. It's rooted in the gnawing sense that no matter how hard they work, the deck is stacked against them.
4. And it's rooted in the fear that their kids won't be better off than they were; and that is a dangerous and growing inequality and lack of upward mobility that has jeopardized middle-class Malaysians' basic bargain.

5. This year, we have chosen hope over fear, unity of purpose over conflict and discord.
6. As we enter the endemic phase, the State's main economy on tourism and hospitality will flourish once again, coupled with the growth in the manufacturing sector.

**Distinguished guests, ladies, and gentlemen,**

**Past Success Sets Us Here**

7. Penang's own "Silicon Valley" companies know that the rule of law in Malaysia gives them protection for patents and intellectual property they would not enjoy anywhere else, and ease of doing business that they could not find in the East. The Federal Government has also spent wisely on bridges and the airport, making Penang better connected to the rest of Asia. And old Georgetown has been smartened up, which helps to bring in foreigners to live and work.

8. More than easing the congestion of incoming and outgoing traffic into Penang island, we built the Sultan Abdul Halim Mu'adzam Shah Bridge or fondly known as the Penang Second Bridge to spur economic activities and improve the livelihood of the people in Seberang Perai.
9. This was crucial in decentralising the Penang island, as we commit to inclusive growth across the state. The Batu Kawan Industrial Park became the catalyst project and gave birth to a vibrant township. In fact, you are now able to enjoy Swedish meatballs rather easily. This was our shared vision for the state.
10. I was told that the Aspen Vision City is a magical garden now, filled with plenty of Instagram moments with garden pathways and enchanting fountains. Two international universities, the University of Wollongong, Australia under

the KDU Group and the University of Plymouth from the UK will be setting up their campuses here.

11. Numerous infrastructures such as the Bayan Baru sewerage plant, the multi-level Seberang Jaya Hospital, the construction of Penang Children's Block have benefited millions of Penangites. The Federal Government also spent another 2.66 billion ringgit for the Ipoh-Padang Besar electrified rail double-tracking project.
12. A diverse range of Multi-National Corporations (MNCs), including the Boston Scientific Corp and Toshiba Medical Systems Manufacturing Asia (medical devices and medical systems); Luxoft and UST Global (IT); Jinko and JA Solar (Solar PV); Teleperformance and Celestica (outsourcing and business services); and Kerry Logistics Network Ltd (logistics) and Swarovski (crystal and jewellery) have called Penang their home.

13. But, sadly, many more have moved their operations out of Malaysia. Thus, we must do everything within our power to attract foreign direct investments into the country.
14. Nostalgia often becomes prevalent and more appealing in times of crisis. But, we have no time for this luxury. We must now tackle the challenges head-on and be creative in our approaches. The country needs planners that will unearth Malaysia's true strength and at the same time, our economic plans can no longer be inward-looking.
15. In the Klang Valley, the revival of the MRT3 Circle Line will be cementing the web of urban connectivity. The 50-km long loop will soon be running along the perimeter of KL's city centre and linking places that are not connected by the current spokes. I'm thinking of Tokyo's indispensable Yamanote Line – have you been on that?

16. Similarly, Penang needs the same integrated public transportation system, as the Federal Government has provided for Klang Valley. This is an absolute perennial nightmare of traffic congestion; a bane to locals and foreigners alike. Traffic congestion must be managed, reducing carbon emissions to make way for cleaner air and improving livability in many ways. We would then have more time with our families, going to the gym, or maybe take a few quick swings at the driving range!
17. The High-Speed Rail (HSR) connecting Malaysia and Singapore within 90 minutes, is expected to contribute 21 billion ringgit growth in the gross domestic product (GDP) per year to Malaysia and Singapore. Approximately 111,000 jobs will be created by 2060. This is a game-changer, it will integrate the two economies and by extension, enhance business-to-business and people-to-people connectivity,

thereby spurring growth and unleashing the hidden potentials of the smaller towns, not just to tourists, but also inventors and the ordinary working people.

18. We should not dwell on the accounting too much, as it has all been written in the media. But rather, the immense productivity and abundant employment opportunities shall be our main focus.

**Ladies and Gentlemen,**

**A Plan without Cooperation Won't Work**

19. We recognised the state Government's efforts in paving the way forward with the Penang2030 Master Plan.
20. But, without grappling with the fallouts of the pandemic and without close cooperation with the Federal government, this plan can only remain as a plan on paper.



21. The rakyat has suffered enough due to the instability and they, too, deserve a strong, stable, proven and competent government to pave the road forward for recovery and long-term growth to materialise.

### **Food security, climate change and environmental protection**

22. The pandemic has also unmasked a broken food system. The system is not equitable where the poor suffer from higher loss of income and are not resilient as basic food items become increasingly unaffordable to them. Food security does not only consist of preserving the paddy fields but also of preserving multiple sources of food.

23. For example, the Bay of Teluk Kumbar is an irreplaceable sea-grass meadow that is home and breeding ground sea life and an important source of fresh seafood - the source of protein of choice for the middle- and lower-income people.

24. The grandiose reclamation project is going to permanently destroy the sea-grass meadows at the Bay of Teluk Kumbar. Our lackadaisical attitude on environmental issues will only cause fatalities.
25. Climate change agenda must be instilled in every citizen because that will change the way we produce, live, work and play.
26. In addition, amid the concern around the automation of jobs, a long-standing truism has perhaps been overlooked. Inequality as a result of technological innovation isn't a forgone conclusion, but it's clear that society as a whole needs to get much better at improving the skills development of all citizens if the dividend is to be spread more widely.
27. Our crucial task continues - developing policies to ensure a sustainable, inclusive and efficient economic growth and a

fair and rights-based social welfare state with a social protection system that affords all Malaysians, an adequate standard of living with effective active labour market policies.

28. The COVID-19 pandemic has exposed the fractures in our social protection system. We now require a forward-looking approach, where we conceptualise social protection as an investment in human capital and social cohesion, that prioritises building resilience against future crises, that enhances access to social security services to informal sector workers, self-employed and gig workers, that strengthens protections for families with vulnerable children.

29. This was my vision when the 1Malaysia concept was brought to life. The 1Malaysia Clinic (K1M) initiative was the government's commitment to ensuring the well-being of the

people especially in offering quality medical services at nominal rates or to be precised at 1 ringgit.

30. We set up Urban Transformation Centers (UTCs) at strategic locations to allow Malaysians to enjoy various government facilities outside working hours, only to have it reverted back to the 9 to 5pm hours. I applaud Kuala Lumpur UTC for making the change to revert back to the extended hours in order to serve Malaysians better and I express my hopes that other UTCs would make the same change.

**Ladies and Gentlemen,**

**Penang and Its Growing Inequalities**

31. According to the Penang Institute in its Economic and Development Report, Penang gained the fourth-largest share of T20 households, trailing behind Selangor, Kuala Lumpur and Johor. Meanwhile, the state's income gap has relatively widened, with the Gini coefficient soaring from

0.356 in 2016 to 0.359 in 2019. The disproportionate economic clout of those at the top has provided these individuals with a distorted influence on their countries' political life and on its media; on what policies are pursued and whose interests end up being ignored.

32. I find it quite unbelievable that many Chinese believed in the DAP propaganda that I had ever said "Apa Lagi Cina Mahu" - just because DAP kept spreading a photo of a Malay newspaper front-page with those words and, as it so happens, my photo was on that page, too. I repeat that I had never and will never say those words which I deem very insensitive and arrogant. That is simply not me.

33. I also find it disheartening that some quarters have claimed the success to reduce 95% of the state's debt. It was only made possible by the Federal Government. The water restructuring agreement was done when Putrajaya agreed to

convert 655 million ringgit of existing debts to annual lease payments.

34. We also agreed to give a 1.2 billion ringgit grant to the State Government to expand the Mengkuang Dam - contrary to the claim that Putrajaya did not help Penang.
35. Pakatan Harapan promised you that they will abolish all tolls including for the Penang bridge should they win GE14.
36. We are all aware that this never happened but Pakatan Harapan will now tell you to be grateful to them because they had reduced the toll rates by 18% since the year 2020.
37. But what they didn't tell you is that the toll concessions was supposed to expire in the year 2038 - or 18 years from the year 2020.
38. In order to give you the 18% discount, what they did was, they increase more than doubled the toll concession period

from 18 years more to 38 years more to end in the year 2058.

39. Now, let's take out our calculators.

- $100 \times 18 \text{ years} = \text{RM}1,800$  vs  $82 \times 38 \text{ years} = \text{RM}3,116$   
- which is better.

40. And remember how DAP promised to give 1,000 ringgit per year to each TARUC student and how he promised that he will take care of TAR UC should they win GE14?

41. Well, not only did students not get the 1,000 ringgit but he delivered a mighty big slap to Chinese education when DAP cut down the 30 million ringgit to 50 million ringgit funding that the Barisan Nasional Government gave TAR UC when I was PM to just RM1mil per year.

42. These are just some of the false promises of their false manifesto. Enough with that as I am sure you are already well aware.

43. I am sure that the Chinese community will remember this great betrayal and their lies for many years to come.
44. Despite their lies and propaganda that the country was going bankrupt under me as PM, the reality is that the country was booming before GE14.
45. Trade was growing exponentially, the share market index more than doubled from 800 points before I took over and reached its all-time high of 1,896 points a month before GE14, we were the longest-running bull-run market in the world at that time and Malaysia recorded the among the highest foreign investment and GDP growth in ASEAN.
46. International relations and trade were at their peak - especially from China, the USA, Europe and the middle east.
47. Basically, the people and the Chinese community then had ample opportunities and ample freedom to make money.



48. The government never stopped anyone or any community from making money.
49. But all this have changed. Our international relationships have deteriorated after GE14 as the previous Pakatan Harapan government kept cancelling contracts with other countries and incessantly arguing with them.
50. Our share market is among the worse performers in the world now.
51. Our national debt has now jumped more than 320 billion ringgit or 46% from 686.8 billion ringgit before GE14 to more than 1 trillion ringgit now.
52. Many foreign investors have run away due to our country's instability and the previous government's incompetency.
53. But what I can tell you is that almost all of the business community and the foreign investors that I have talked to are just waiting.

54. They still see the enormous potential that Malaysia and its people can offer them.
55. But they are waiting.
56. They are waiting for a strong multi-racial government with a solid majority and a proven track record to come back into power.
57. And I promise you this.
58. If Malaysians restore a strong multi-racial Barisan Nasional government with a solid majority with our proven track record, I can guarantee that the share market will boom once again, foreign investors will knock on our doors and the good times will come back.
59. And it must be truly multi-racial so that we can implement policies and our country's direction that are fair to all.
60. Many Chinese have told me that they see with their own eyes and experience, how the economy had dried up after

GE14. How the share market had fallen and how businesses and shops started to close one after another since the elections.

61. They tell me that this is the fault of the Pakatan Harapan government and how the Pakatan Harapan government had victimized the Chinese community with unfair income tax claims in order to make up for the loss of GST revenue.
62. They tell me Pakatan Harapan is only 会讲不会做 (**hui chiang puk hui zuo**) or only knowing how to talk but cannot do.
63. Therefore we can no longer afford to gamble again as the pandemic and the previous 4 years' nightmare have taken a huge toll on Malaysia.
64. So, please help us and help our country and help all Malaysians.

65. I wish to reiterate that time waits for no one if we don't unlock the potential and opportunities immediately. The future of this Pearl of the Orient must ride on technology and green tourism to boost economic growth, with more green areas and vibrant towns that blend work, education and play.
66. However, gaps are beginning to appear in the system. This is exemplified by the growing concern of middle-income households who are neither eligible for social housing nor are able to afford private sector-supplied houses.
67. And if urgent policy solutions are not taken to tackle the problem, the crisis-stricken population is clearly fertile ground for social and political discontent.
68. Malaysia has so much to catch-up on. Without continuity of policies and visions, we will be far behind on a steady growth path.

**Ladies and gentlemen,**

**Region of Peace and Freedom**

69. In December 1995, Malaysia as an ASEAN member, signed the Bangkok Treaty - a commitment to preserve the Southeast Asian region as a region free of nuclear and other weapons of mass destruction. And during my tenure, I remained committed that we need to peacefully manage our differences, including overlapping maritime claims, without increasing tensions.
70. Let's go back to the point where Ukraine was a nuclear-free country, and allow a proper debate for the people to decide their own future in Ukraine.
71. A dialogue and peace process that guarantees a peaceful future for those people should take place. Diplomacy, compassion and words are the way forward - even if it's

slower than a gun. No strategic considerations are far greater to a leader with compassion and empathy.

72. In the context of Malaysia, the global crisis triggered by the Russia-Ukraine war will likely cause serious economic problems for Southeast Asia. The rising price of energy, food and commodities, worsening supply-chain disruptions and stock market volatility could nip the country's nascent export-led recovery.
73. Inflation pressures faced by many parts of the world could be further complicated if escalating tensions and sanctions result in energy supply disruptions and potentially worsen the already burdened shipping and supply chains.
74. Malaysia remains relatively insulated due to its policy of providing fuel price subsidies, as well as administrative price controls on essential goods that will keep domestic inflationary pressure in check. But there is also potential that

Malaysia could be affected if weaker global growth prospects ensue.

75. In that context, I would strongly encourage Malays to pick up Mandarin, Cantonese or even Hakka so that we could extend our business partnership beyond East China and Hong Kong. As for the Malaysian Chinese, the time is nigh for them to be proficient in the language of the Malay Archipelago so that we don't miss out on Indonesia, the next upcoming area of growth in this region and at the same time, strengthen national integration and unity.
76. Moreover, it never hurts to learn another language!

**Distinguished guests,**

**The Arc of Stability**

77. A rocky road lies ahead before we can see the recovery entrenched and the state economy back on the path to stability. Notwithstanding, we need to quickly grasp the reality of ever-increasing instability. The faster we admit the fact that we cannot gamble the country's future after four years of instability, the faster we return to the path of a great nation.
78. It is time for us to elect a government that has a vision for the country, a government that could be formed with a stronger majority, a government that is able to govern and deliver. In short, a competent government that is able to map sustainable growth for the country.
79. And that would be this nation's secret to greatness.



80. Businesses and investors have proven over time that they crave for certainty and stability, consistent and clear policy, implemented by a visionary and stable government. These are effective ways to boost investors' confidence.
81. Let's us keep our eyes fixed on the horizon as we carry forth the prosperity and freedom, and deliver it safely into the hands of our future generations.
82. It has opened up a path to a new world. The opportunities are ours for the taking. But we must be vigilant not to squander it. Nothing is written.
83. I wish you all the very best of luck and may this conference bear fruits to our challenges.
84. Thank you and have a good conference.