

Good morning YBhg Datuk Mohd Nizom Sairi, Your Excellencies, Dato' Seri- Dato' Seri, Dato' Dato', esteemed speakers, distinguished guests, delegates, ladies and gentlemen,

Welcome to the 3rd Malaysia Tax Policy Forum. Firstly, I would like to thank YBhg Datuk Mohd Nizom Sairi, CEO of IRB, for sparing his valuable time with us today. Taxes are important to a nation because they provide the government with the funds it needs to develop the economy and offer its citizens public goods. The changes in the global economy which are commanding our attention here represent only a part of the dramatic transformation now underway in different parts of the world.

So, Ladies and Gentleman, let me begin by explaining the purpose of this forum. As we all know, Malaysia's restricted tax base have grown more serious since the Goods and Services Tax (GST) was replaced by the Sales and Services Tax (SST) in 2018. According to Malaysian Rating Corporation Bhd (MRCB), after the reversal, direct tax rates did not rise to pre-GST levels as the indirect tax base fell.

Budget 2022 aims to hasten Malaysia's post-pandemic recovery by accelerating economic recovery, restoring national resilience, and speedy reforms. Therefore, I believe that this platform will be able to gather all best practices and ideas on taxation from all over the world, enabling Malaysia to advance as a financially sound country shortly.

Governments need to increase their efforts to create a stronger and more reliable stream of revenue. This is our priority. Compared to other countries, Malaysia is in an unstable fiscal position. Indeed, governments must work more to develop a more robust and steady flow of income. This is the top priority for us. Therefore, we should utilize our resources to have a stable economy. Future pandemics, geopolitical unrest, climatic impacts, or any combination thereof may occur. In each case, the government will need to act swiftly and nimbly.

Budget 2022 assists low-income households affected by the epidemic by increasing direct cash transfers and interacting with a more significant population. It addresses the nation's immediate concerns by ensuring job creation and retention, promoting capital spending, and maintaining fiscal sustainability.

In the future, we will need to generate more revenue to pay for our extra expenses. However, we will proceed cautiously to maintain the effectiveness of overall public

spending and the lowest possible tax rates for the middle class. However, it can demonstrate that our current system of taxes and transfers is progressive, and we should keep it that way.

This brings me to my final thoughts. The epidemic has taught us a great deal and given us the knowledge we need to think differently about the future. Our economy should grow together, and further in a sustainable manner, instead of being fast.

Once again, welcome to the 3rd Malaysia Tax Policy Forum. I hope that at the end of the day, we will be able to find some important ideas that can build a more resilient and inclusive global economy.

Thank you.