



# insights

## A Big Win for Malaysia

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Malaysia kick-started the APEC CEO Dialogue this morning marking the end of APEC meetings as a host before the finale; the APEC Economic Leaders' Meeting tomorrow. This year's theme for the APEC CEO Dialogues, "APEC Re-imagined: Priorities in the Aftermath of COVID-19," could not be more accurate. The pandemic has forced us to reimagine and readjust our comfort zones, changing the way we live; work, travel, trade and socialize to survive.

The opening remarks delivered this morning by the Prime Minister Tan Sri Muhyiddin Yassin was optimistic towards further regional cooperation despite the uncertainty and profound challenges brought by the COVID-19 pandemic. To no one's surprise, the ongoing COVID-19 pandemic is causing a deeper contraction to the region's economy. The APEC region's economic growth is now expected to decline by 3.7 per cent in 2020, down from its initial forecast of less than 3 per cent in April, bringing the total output loss to a staggering USD2.9 trillion.

In the first quarter of 2020 alone, the APEC region's growth declined by 2.2 per cent due to travel restrictions and widespread lockdown measures that depressed domestic consumption, trade and investment activities. As the negative impact of the pandemic is widespread, the prime minister highlighted the need for businesses to play a bigger role in reviving the economy along side the government of APEC member countries post pandemic.

In developing the APEC's Post 2020 Plan to replace the expiring Bogor Goals, which were set in 1994, the Prime Minister focused on three points to be developed further with other member countries. Firstly, he emphasized on the need for rule-based international order to further the activities of further cooperation and regional integration. It is important in the time of pandemic that the commitments to trade liberalisation be strengthened in the region through newly established and existing Free Trade Agreements. With the signing of RCEP recently, it was a strong signal by member countries that they will pursue their commitment towards further regional integration and trade reforms in the Asia-Pacific region. Such an effort is very timely to offset the inward-looking policies adopted by certain countries in the region in the midst of curbing the spread of the virus. Additionally, with intensified trade activities the issue of food security can be resolved together during emergency times and beyond with the lowering of tariffs and non-tariff measures.

Secondly the Prime Minister highlighted the importance of the digital economy to promote inclusiveness during and post pandemic. In Malaysia, digital trade as a whole has been a boon for businesses and MSMEs. This was true especially for food delivery companies, which saw an increase of 30 per cent on total orders on the first day of MCO. This increase in orders was also matched by the spike in registrations among marts and restaurants who saw the opportunities in retaining their income by joining these platforms during the lockdown observed an increase of registration by restaurants by 3 folds within the first day of the partial lockdown. This was only possible through the development of digital infrastructure on the ground. He further emphasised that for digital economy to benefit especially those in the vulnerable groups, digital infrastructure needs to be developed. With this said, countries need to develop more secure, accessible and affordable digital infrastructure for all. Additionally, promoting digital inclusion and bridging the digital divide by increasing investments in ICT infrastructure for the underserved population should be the priority.

Lastly he emphasised that during these challenging times, countries need to prioritise our youths and women communities throughout the region. Strengthening and supporting these communities during and post COVID-19 pandemic is vital for our economies. In Malaysia it was found that this pandemic had hit those in the youths and women particularly hard. Due to the pandemic, unemployed graduates represent about 30 per cent of the overall unemployed population. For women, female labour participation rates fell in the first quarter of 2020 as more women exited the workforce. The female labour force shrank by 0.2 per cent – shedding about 12,900 female workers – in the first quarter of 2020 compared to the previous quarter, a significant decline in more than two decades here in Malaysia.

The youth and women are indeed at the center of Malaysia's economic recovery plan and it should be a priority for other APEC member countries as well. The success of our transition to the post-COVID-19 era rests on ensuring that our people, including the youth and women, continue to have confidence in the future of our economy and in their role in its recovery.