



KEMENTERIAN PERDAGANGAN DALAM NEGERI
DAN HAL EHWAL PENGGUNA

TALKING POINTS

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

FOR

**LAUNCH OF THE 21ST EDITION OF THE
MALAYSIA ECONOMIC MONITOR**

ON

09 DISEMBER 2019 (MONDAY)

VENUE

**ALOFT HOTEL,
SENTRAL, KUALA LUMPUR**

1. It gives me great honor to be invited to launch the latest edition of the World Bank's Malaysia Economic Monitor. This edition of the Malaysia Economic Monitor contains a special report on a topic that is of paramount importance to my Ministry and the country – the cost of living in Malaysia.
2. Malaysia has a long knowledge-sharing partnership with the World Bank. While we continue to share our development experience, Malaysia also greatly benefits from the World Bank's expertise and readiness in supporting the country's goal of becoming a high-income and developed nation.
3. An important part of our knowledge-sharing partnership has always been the World Bank's Malaysia Economic Monitor. This semi-annual report has long been recognized as an effective document for policy dialogue.
4. This edition of the Malaysia Economic Monitor, titled *Making Ends Meet*, could not have come at a better time. As nations around the world struggle to deal with sentiments surrounding the rising cost of living, this report sheds light on how this issue is felt and perceived in Malaysia.

Ladies and gentlemen,

5. I have been interviewed at length for this report. However, I'd like to choose a few succinct points to highlight in response to the findings in the World Bank's report.

6. Firstly, we note and welcome the World Bank's observation that previously, many of the government's measures targeted at addressing the cost of living have been relatively ad hoc, fragmented, and short-term in nature.
7. We agree that there is a need to strengthen coordination between ministries and agencies to implement structural reforms and increase incomes of low- and middle-income households.
8. It is for this reason that the National Action Council on Cost of Living (NACCOL) was established by the Pakatan Harapan government in order to act as a comprehensive and authoritative body on the issue of the cost of living.
9. The establishment of NACCOL and its wide and diverse membership, which includes cabinet ministers, civil servants, heads of agencies, representatives of NGOs, and even corporate leaders, show that the government is committed to adopting a comprehensive and throughout approach in alleviating the people's burden.

Ladies and gentlemen,

10. Secondly, we receive warmly the World Bank's recommendation that there is a particular need to increase our efforts and heighten our focus on 3 areas, which relate closely to the Cost of Living in Malaysia, namely Food, Housing, and Transportation. With this in mind, NACCOL has moved aggressively to introduce many initiatives in those 3 areas.

11. On Transport, NACCOL, through the Ministry of Transport, introduced the MY50 and MY100 unlimited transportation passes to reduce transportation expenses for regular public transport users.
12. Further, since February 2019, the price of RON95 has been capped at RM 2.08 per liter, which is much lower than the RM 2.20 per liter when PH first took office in May 2018. Although the Petrol Subsidy Program will be introduced next year, the price of RON95 will remain largely the same for B40 and M40 citizens as the government will channel fuel subsidies directly to them.
13. Moving forward, the government will continue to improve public transportation services, particularly last-mile connectivity to further incentivize the usage of public transportation.

Ladies and gentlemen,

14. On Food, NACCOL, through my Ministry, has started the Food Bank Malaysia and Food Bank Siswa program, which to date, has provided food security to over 400,000 families and 7,000 university students by channeling food surpluses to the needy in a systematic and coordinated way nationwide.
15. My Ministry is also tasked with enforcing the Price Control and Anti-Profitteering Act 2018 in order to prevent profiteering. Under the act, there are mechanisms to identify profiteering, and hefty penalties are imposed on any party found to have committed an offense.

16. In order to ensure that rural communities are not adversely affected by the spike in prices of essential goods due to higher transportation costs, the government also subsidizes shipping costs of essential items such as flour, cooking oil, rice, sugar, RON95 petrol, diesel and liquefied petroleum gas (LPG) to Sabah and Sarawak.
17. However, the government is keenly aware of concerns, which are also raised by the World Bank, that administrative price controls are relatively blunt instruments, and there is a need to focus on promoting market competition in the long run.
18. The government has taken substantial steps in that direction. Recently, the Malaysia Competition Commission (MyCC) released a Market Review on the Food Sector, which comprehensively analyzed the level of competition in the supply chain of major food items and reviewed industry practices that may restrict competition.
19. Further, moving forward, NACCOL is currently looking into reducing the prices of food items and increasing the incomes of food producers by eliminating layers of middlemen in the food supply chain. For the coming year, this will be one of my main priorities in our efforts to reduce the cost of living.

Ladies and gentlemen,

20. On housing, the government is looking into creating more affordable housing and also introducing creative and innovative schemes to boost and reduce the burden of homeownership.

21. In a recent NACCOL High Committee meeting, the NACCOL Housing cluster led by the Ministry of Housing and Local Government proposed a few housing programs to make homes more affordable to Malaysians such as the “Rental Program for the Poor,” “Rental and Saving Program,” “Rental Program based on Income” and “Rent to Own program.”
22. In some of those programs, needy households only need to pay RM 150 a month in maintenance fees to have shelter over their heads. Other programs help low-income families save for a downpayment.

Ladies and gentlemen,

23. Thirdly, I agree with the World Bank’s finding that one of the root problems with the cost of living is the stagnating income growth of the people – and as elucidated clearly in the World Bank report, this is particularly apparent for the youth and lower-income households.
24. This is a highly unsustainable situation. Current initiatives undertaken, such as raising the minimum wage from RM 1,000 when PH took over to RM 1,100 in 2019 and then to RM 1,200 in major cities in 2020, is a good start but only the tip of the iceberg.
25. Currently, many proposals and initiatives to raise the income of citizens are being studied by the government. One of the areas that the Ministry is looking into is to support local entrepreneurs. My Ministry, in particular, helps local entrepreneurs improve their products and expand into local and foreign Supermarkets nationwide as the retail industry is also under my Ministry’s jurisdiction.

26. So far, our efforts have resulted in a number of successes where products assisted by the Ministry obtained consistent million Ringgit sales. My Ministry is also further supporting local entrepreneurs by expanding the Buy Malaysian Campaign to non-traditional retail platforms such as e-commerce platforms, airlines, and even airports.
27. Our recent collaboration with a prominent e-commerce company in ASEAN, Shopee, to develop a special microsite that promotes Malaysian products to consumers, has helped local entrepreneurs involved increase their sales and revenues by more than 300%. Behind every success is a local entrepreneur who will create job opportunities and multiplier effects to the economy.
28. I admit that these are small steps compared to the monumental task ahead of us, but the successes obtained by these policies are undeniable and can be expanded to have larger impacts. This, too will be one of my priorities in the coming year.

Ladies and gentlemen,

29. Let me conclude by expressing my sincere thanks to the authors, researchers, and editors of this report for your tireless work and dedication in providing valuable insights, feedback, and even criticisms to help the government improve our policies.
30. Moving forward, I hope to have more fruitful and productive discussions with the World Bank on how we can work together to make a real and meaningful difference to the lives of ordinary Malaysians. Thank you.