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## INTERVIEW WITH THE SUN DAILY

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### **1) How has the various lockdowns due to the pandemic affected foreign investors? Is there any data on FDI's pre-pandemic versus now?**

Foreign investors play an important role in supporting Malaysia's economy and offer a foundation towards a rapid economic recovery. Over the past four to five decades the country has established itself to be not just an integral part of many global value chains but in some cases critical nodes.

More recently this position has been eroded. Malaysia fails to appreciate that every time the government imposes a lockdown, it disrupts the multiple supply chains and causes serious damage to the country as well as its reputation.

Business community depends on predictability. Clarity, consistency and certainty are the ingredients for confidence. Investments are still flowing into the country evidenced by the announcements made by MIDA and MITI but with the current situation painting a unstable and unpredictable environment, companies are revisiting their future and undertaking risk mitigation strategies to protect vulnerable supply chains.

### **2) How badly affected are foreign investors? Are the majority looking to take business out of the country?**

Foreign investors are terribly affected by the lockdown. The lack of clarity, ever-changing SOPs and poor communication are causing major disruptions in businesses and the government, unfortunately, has not acknowledged that this is a real problem.

Parts of the government do not realise the nature of some of the business models it has successfully attracted. With technology today and the advanced nature of factory layouts and the integrated nature of production lines, it is relatively easy for companies to shift production capacity or reduce Malaysia footprint by rerouting inputs away from Malaysia. Once the alternative

location establishes its ability to deliver - these lines may never return to Malaysia; so in some sense, we have gifted our competitors.

There are companies who are really impressed by the country's resilience and still believe in the long-term position of Malaysia. Clarity, consistency and certainty will restore the confidence of investors and supply chain managers around the world.

### **3) How has this then impacted the economy? What can be said about the foreseeable future?**

Trust and confidence built up through decades of collaboration between the foreign investors and the government has eroded in the space of a couple of months. The arbitrary use of lockdowns without due consideration to the real state of affairs at multinational factories to manage infections and the consistent narrative of blaming factories have further exacerbated the trust deficit with the government.

That being said, industry continues to engage and have dialogues with our partners in government such as MITI, MIDA, the EAC and MEA. One of the challenges that we have at this point is to find ways to help the government formulate and execute a coordinated strategy based on the fact that we have to live with COVID-19. The SOPs developed by MKN and MoH, when compiled to rigorously, work. There is always need for some refinement as not all businesses are the same but the fundamentals of spacing, masking, coupled with regular affordable testing will drive a discipline into the culture. Employees will be safer at workplaces because of that structure.

Only by driving a narrative and execution of a program anchored on the principle of "Safe@Work is Safe@Home" where safety and compliance with a focus on personal and environmental hygiene will we be able to take realistic steps in moving forward with realising that balance with livelihoods that we seek. While the country works towards a manageable percentage of vaccinated persons, it is only through everyday discipline that we can ensure the country has an economic future.



We must always put people first and this is done in different ways, from implementing strict protocols and creating safe workplace to also delivering aid to the community. AMCHAM is very proud of our members' contributions to supporting the fight against COVID -19. So far, our members have provided over RM7 million aid through our MY AMCHAM CARES initiative and over RM8 million with individual corporate contributions. Our members stand ready to support where we can and are always looking to ensure a need is met to the best of our ability.

There is always hope as there is light at the end of the tunnel. The foreseeable future is shaped by our actions today. As a member organization representing the interest of American multinationals we must not forget that the majority of our members are made up of Malaysians. Part of our responsibility is to let the stakeholders know of any imminent threat and danger faced by both our members and government - we enjoy a common future.

We take this seriously by offering a roadmap that we feel can help take all of us out of this quagmire, together. This roadmap requires coordination and collaboration with multiple stakeholders and has to be anchored on the commitment that the health and economy are so closely intertwined to the point that we cannot do without either one. We need to tap into that deep reservoir of optimism and hope which is characterized by the inestimable cry of “ Malaysia-Boleh” if we are to overcome the current challenge that we are facing.



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**ABOUT AMCHAM MALAYSIA**

The American Malaysian Chamber of Commerce (AMCHAM) was founded in 1978 as an international, non-profit, private-sector business association. It comprises more than 1200 members representing about 280 American, Malaysian and other international companies with strong ties to American business. The Chamber is a member of the AmChams of Asia Pacific.

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