



AMCHAM Press Statement 28 August 2020 (Updated)

Interview between Mahanum Aziz, Journalist from Berita Harian and Siobhan Das, CEO of AMCHAM.

- 1. Prime Minister, Tan Sri Muhyiddin Yassin has suggested the setting up of a committee or task force to study and modify the public service delivery system to accelerate the country's economic recovery. What AMCHAM's opinion on the setting up of the task force. Do you see it is the right decision at the right time?**

Malaysia is going through unprecedented challenges with the COVID-19 pandemic which has called for drastic changes in individual and industry behavior, as well as vigorous financial support in the form of government stimulus packages. The lockdown imposed by the Movement Control Order (MCO) has undoubtedly impacted our economy and this is clearly demonstrated by the GDP contraction of 17.1% in Q2 2020.

As the administrative engine of the country and government, it is crucial now, more than ever, for the public service delivery system to show that the fundamentals that will support economic growth are still on point and relevant for today, and tomorrow. It is an opportunity for core principles around efficiency, transparency and effectiveness to be examined, modified where necessary, and then be reflected across the systems and their delivery.

From the perspective of the American Malaysian Chamber of Commerce (AMCHAM), the establishment of a task force or committee would be timely and welcomed, especially if it would be able to work

collaboratively with stakeholders that play significant roles in the country's economic engine.

2. Who should be included in the task force?

We would like to see the task force include, in a comprehensive manner, stakeholders that utilize these services and contribute to the various parts of the economy. With deep engagement these stakeholders can play an active and substantive role in supporting the government's efforts. Understanding the user experience is vital. From a Chamber perspective, investors both local and foreign, would be able to provide insights to the services that support continued growth of industry and future investments. They would also be able to gauge the impact as strategies are rolled out.

We hope that the Chief Secretary, as head of the civil service together with the Public Services Commission, will be able to identify and call on third-party organizations to offer an outside or user perspective.

3. How do you see the public delivery system in Malaysia so far? Is there any issue that needs to be addressed quickly?

In recent times there is no doubt that the civil service has been working extremely hard and at its highest capacity. The National Security Council has done a great job in disseminating daily information about COVID-19 statistics, and in spreading public awareness about the virus and Standard Operating Procedures (SOPs) that are meant to inform and guide the public through the new normal. There have been, however, issues in the flow of communication. Gaps in inter-agency coordination including a lack of clarity in the SOPs and, with the execution of service level agreements (SLAs) across all government functions.



Still happening today are announcements that are not always supported by written directives or the issuance of such are delayed, creating a void in which industry does not know how to be in compliance. When dealing at a global level, companies and foreigners base decisions on written communications. Delays in receiving these have had a negative impact on investor confidence.

To ensure a steadfast recovery, businesses need clarity so that they can plan and prepare to ensure smooth operations. At AMCHAM, in the most immediate time frame, we seek to have a greater understanding of how the government is approaching living and operating with COVID-19. Establishing operational guidelines that both public institutions and industry can implement will be critical for individual businesses to develop actionable and sustainable, business continuity plans.

We have already provided some early inputs to the Ministry of International Trade and Industry (MITI) and hope to continue working with them to develop these further. Proactive scenario planning and coordination can help to ensure that the country, its economic drivers and the civil service working together, are better prepared to face any adversity.

Additionally, clear and ongoing communications to the public-at-large from government sources will remain important. Awareness of rules, rights and regulations will allow for more straight forward understanding and provide less ambiguity making for easier compliance and implementation.

This is especially needed as the levels of public health education will need to be elevated to protect all living in the new COVID-19 era. Informed personal decision making will be important for health and safety. Updated and robust public service delivery protocols in both

healthcare and education will be able to support this.

More can be done electronically. Many productive man hours are lost as people navigate various government departments and many confusing requirements that may differ between municipalities and states, while trying to accomplish basic tasks. Greater alignment across the country will improve efficiency. An oversight facility to which complaints can be directed and addressed, would help the appointed taskforce or commission address issues, evaluate effectiveness and adjust the delivery appropriately.

4. As a business association, does AMCHAM have any suggestions for Malaysia to improve further public service delivery and what areas should be focused on more?

Critical areas of public service delivery that will impact our members, mainly foreign investors, would be around services that address education, immigration, infrastructure (e.g. power quality, internet access), and healthcare, for example.

There are daily, on-the-ground issues currently being faced which have a negative and deterrent effect on investments. We have received direct reports from businesses that the process for international arrivals is full of uncertainty and delays. Individuals, some with their family and young children, sometimes have to wait up to six hours. They are further subject to a 'lottery-like' system of hotel availability which varies considerably in terms of quality, instead of being allowed to choose from a list in accordance with their needs and affordability. If businesses are expected to help drive the needed recovery, they need their key executives in place to do this. We would like to see the government address these issues for Malaysians and expats to aid economic recovery, by enabling their smooth entry and ensuring they can choose to be placed in facilities with an adequate workspace and



sufficient internet connectivity.

Healthcare infrastructure, access and messaging in this new normal of COVID-19 is going to become a part of corporate decision making. Infrastructure that provides equal access to the country's urban and rural population will boost productivity and engender stability in resources. Most significantly, education, access and quality will need to be improved to ensure the country has a healthy and viable pipeline of talent that can support the industries Malaysia wants to capture in the global economy.

AMCHAM, as an organization that can look across many industries, is able to continue to be a contributing partner in supporting the government's efforts. This greater collaboration would help all stakeholders work together to ensure better implementation, delivery and effectiveness. This will go a long way to reduce bureaucracy, root out corruption and lower the costs of compliance in both the public and private sector.

We have always championed the need for greater transparency and clarity as it boosts investor confidence. This is an opportune time. With the escalation of technology in all our lives, coupled with the increasing need for good remote working environments, the Government can put many processes online, using blockchain technology and digital signatures for example, to reduce regulatory hurdles, duplication of tasks and conflicting requirements, errors and omissions.

Improving inter-agency communication will ensure that government messages are not contradictory but aligned and implementable. We have witnessed, to the detriment of the operating environment and image of the country, many instances of mixed or incomplete messaging which developed into significant barriers in business and

investor confidence. Simple steps to increase media literacy, such as re-introducing multi-language information delivery, would also go a long way to combat the spread of inaccurate information and the proliferation of 'fake news' that besets all nations today.

5. Are there any suggestions on effective ways to maintain entrepreneurs and investors' confidence to continue investing in the country?

A services model that can deliver clarity across the regulatory environment and great efficiency will spur not just productivity but also innovation and entrepreneurship. In turn, the confidence and ease of actually doing business will make Malaysia, despite limitations in the size of its population compared to some neighbors, a more formidable and attractive place for investors.

Malaysia has many advantages built up over decades, but as competition rises in the region and globally, along with the country's desire to move up the value chain, Malaysia needs to make itself attractive in a new and more forward-looking manner. Greater efficiency, transparency and clarity across its regulatory environment will support future growth and reinvestments that will push the country towards its high-income-nation goal.

Adoption of English alongside Bahasa Malaysia across the delivery of public services will also boost the country's productivity and attractiveness. A dual- language system not only will help in the comprehension by both local and international stakeholders but make the communication of mission critical information easier and reduce ambiguity. Malaysia has been, and always will be, a trading nation - efficient communication will only support the country's position.

6. How do you see Malaysia going forward? Still an attractive investment destination in the region?

AMCHAM is confident that Malaysia will remain an attractive investment destination. Malaysia has a strong supplier ecosystem that has been built around its manufacturing capability allowing it to be globally competitive and attractive. However, Malaysia must act quickly to capture opportunities and counter the vigorous efforts coming not just from our regional neighbors like Singapore, Vietnam and Indonesia but from further afield across the global economy.

MIDA, InvestKL, Invest Selangor, Invest Penang and MDEC have been instrumental in positioning the country to not only excel in manufacturing but to enable its move up the value chain and be a destination for high quality and technical global business hubs.

To support future opportunities in advance manufacturing, R&D etc., Malaysia will need to work towards developing a more robust talent pipeline, better regional integration including the mobility of people and goods and, as we have been discussing, a more efficient and smoother regulatory environment that embraces clarity and consistency. Public service delivery will play an important role in laying the foundations and enabling this new environment.



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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. As the “Voice of U.S. Business in Malaysia”, it comprises of 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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