

**46TH ISLAMIC DEVELOPMENT BANK BOARD OF GOVERNORS'
ANNUAL MEETING
3 - 4 SEPTEMBER 2021
TASHKENT, REPUBLIC OF UZBEKISTAN**

**RESPONSE, RESTORE, RESTART:
POST-COVID RESILIENCE AND PROSPERITY FOR ALL**

STATEMENT BY MALAYSIA

Bismillahir Rahman-nir Rahim

Your Excellency Chairman of the Board of Governors

Your Excellency President of the Islamic Development Bank

Governors

Esteemed Guests

Ladies and Gentlemen

Assalamualaikum Warahmatullahi Wabarakatuh.

INTRODUCTION

1. On behalf of the Government of Malaysia, please allow me to first extend my congratulations to the Government of the Republic of Uzbekistan for hosting the 2021 Islamic Development Bank (IsDB) Group Annual Meetings in the beautiful city of Tashkent. I would also like to express my appreciation to both H.E. Dr. Muhammad Sulaiman AlJasser, President of the Bank, and H.E. Dr. Bandar Mohamed Hajjar, former President of the Bank, as well as the IsDB team for their hard work and relentless efforts in organising this year's Annual Meeting.

2. *Alhamdulillah*, by the Grace of Allah *Subhanahu Wa Ta'ala*, the Board of Governors of the IsDB are able to convene for the 46th Annual Meeting, physically, despite not being able to do so last year.

3. The theme for this year's Annual Meetings, "Response, Restore, Restart: Post-Covid Resilience and Prosperity for All," is indeed most relevant and timely given the global economic landscape. The COVID-19 pandemic took the world by surprise in 2020 and has escalated from a public health crisis into the worst global economic crisis this century. The pandemic has not only resulted in the loss of human lives but also distressed economies, with greater impact and severity to vulnerable groups everywhere and less-developed countries.

4. Malaysia recognises IsDB's pro-active role in responding to the crisis and efficiently handling the challenges due to the COVID-19 pandemic. In particular, Malaysia commends the IsDB Group's response to this crisis by approving USD2.3 billion for the

IsDB Strategic Preparedness and Response Package to prevent, contain, mitigate and recover from the impact of the pandemic, through a 3R approach of Response, Restore, Restart. Malaysia would like to thank the IsDB for the assistance and support to member countries towards recovery through initiatives and tools under this programme that augurs well with the Annual Meeting's current theme.

MALAYSIA AND IsDB

Your Excellencies,

5. Malaysia and IsDB have always enjoyed a strong and mutually supportive working relationship throughout the years. As one of the founding members of the IsDB, Malaysia is committed to work actively with the IsDB in the development of the country's economy towards achieving an inclusive and sustainable development. Malaysia views this cooperation with the Bank with great honour and seeks to build further on this commitment between both Parties.

6. Since the establishment of the IsDB regional office in Kuala Lumpur (ROKL) in September 1995, our cooperation was strengthened through several instruments, including the Member Country Partnership Strategy framework as well as the Memorandum of Understanding Concerning Cooperation in Islamic Finance, Reverse Linkage, Resource Mobilisation and Halal Industry.

7. The recently signed Memorandum of Understanding and Supplementary Agreement between the Government of Malaysia and the IsDBG on the IsDB Centre of Excellence Kuala Lumpur (IsDB CoEKL) bears testament of the strong cooperation between Malaysia and IsDB. The transformation of ROKL into the IsDB CoEKL sees the addition of the Science, Technology and Innovation (STI) pillar as well as a more inclusive Halal pillar, which now involves Halal Initiatives and Eco-System. This marks a new chapter in Malaysia's relationship with the IsDB, which allows us to further strengthen our strategic partnership for development. Malaysia envisages the CoEKL to be a gateway between Malaysia and Member Countries in forging cooperation, particularly in the identified areas, namely, Islamic Finance; Halal Initiatives and Eco-System; Science, Technology and Innovation; Reverse Linkage; and Resource Mobilisation.

POST-COVID RESILIENCE

Your Excellencies,

IsDB COVID-19 Responses

10. Malaysia commends the IsDB for its Strategic Preparedness and Response Plan (SPRP) programme that was launched under the President's 5-Year Programme (P5P). The SPRP programme which is aimed at supporting Member Countries' efforts to contain and mitigate the impact of the COVID-19 pandemic has indeed benefitted many Member Countries in addressing the crisis and towards recovering from the pandemic. Malaysia would also like to commend the IsDB on the progress of the SPRP with a total commitment to the COVID-19 response at USD3.55 billion, as of 10 January 2021. The IsDB's contribution of USD1.5 billion and financing of USD877 million for 40 projects in

27 Member Countries is timely and reflects its commitment to be at the forefront of development by being pro-active and responsive.

12. Malaysia appreciates and commends IsDB for a holistic approach in the short-, medium- and long-term, such as the new Fragility Financing Facility (Triple-F). Malaysia welcomes this facility and its innovative partnership-based mechanism to address fragility and build resilience to manage relevant risks and shocks in fragility and conflict affected situations, particularly during the ongoing COVID-19 pandemic. In addition, Malaysia commends the recently approved Disaster Risk Management and Resilience policy, which is the IsDB's first ever policy aimed at supporting Member Countries to manage risks and shocks of natural disasters. It is worth to note that the Disaster Risk Management and Resilience Policy will also contribute to sustainable economic development.

Policy Responses in Malaysia

Your Excellencies,

13. From the beginning of the COVID-19 pandemic in March 2020, the Government of Malaysia's utmost priority has been to protect the people's lives above all else. In balancing the responsibility of protecting the lives and livelihood of its peoples as well as managing the COVID-19 crisis, Malaysia employed an evidence-based, systematic approach to balance health and economic parameters. The 6R approach – Resolve, Resilient, Restart, Recovery, Revitalise and Reform – allowed Malaysia to take drastic action to contain the pandemic by imposing various levels of Movement Control Order. To minimise the impact of these lockdowns, the Malaysian government has since introduced 8 assistance and stimulus packages amounting to RM530 billion until July 2021. For the year 2020 alone, Malaysia had spent RM305 billion or 22.7% of its GDP for these stimulus packages. Despite a slow start of its national vaccination programme early of the year due to global supply constraints, the vaccination rate in Malaysia is now among the fastest in the world and is confident to achieve herd immunity by the end of October. As the vaccination programme rolls out throughout the nation, the economy is now allowed to gradually open up as the COVID-19 curve was flattened.

15. Through these packages, the healthcare services were strengthened by additional allocation for, among others, additional medical equipment and capacity, enhancing testing capacity and developing an application for contact tracing across the nation. The stimulus packages are also aimed at protecting the livelihood of the people as well as supporting businesses and the economy. They provided immediate financial assistance to ease the burden of the people, supported employment retention, deferred loan repayments as well as facilitated the restructuring of loans and credit facilities for individuals and enterprises.

16. The packages will also have spillover effects and provide additional boost to the Malaysian economy in 2021 despite the extended lockdown. With the recovery of the global economy and international trade, the Malaysian economy is expected to expand moderately by 3% to 4% after a severe contraction of 5.6% last year. Growth also will continue to be supported by strong economic fundamentals and a well-diversified economic base.

CONCLUSION

Your Excellencies,

17. Malaysia remains steadfast and supportive towards the role that IsDB plays and looks forward to continue working closely with IsDB and other Member Countries. As we look ahead together in mitigating and recovering from the pandemic, we shall not lose sight of our overarching development objective of achieving a sustainable, resilient and inclusive growth. We pray that the pandemic will be over soon and enable us to recover and prosper together in the coming years, *Insyah'Allah*.

18. On behalf of the Government of Malaysia, I would like to put on record our deepest appreciation to the former President, H.E. Dr. Bandar M.H. Hajjar, for his dedication, professionalism and able leadership in helming the IsDB since 2016. We wish him well and all the best in his future endeavour. Malaysia looks forward to continuing our close cooperation with the newly appointed President, H.E. Dr. Muhammad Sulaiman AlJasser. I also would like to congratulate the IsDB management and staff for successfully organising this Annual Meeting. May all of us be under the blessed guidance and protection of *Allah Subhanahu Wa Ta'ala* in all our future undertakings. Thank you.

Waltaufik Walhidayah.

Wassalamu'alaikum Warahmatullahi Wabarakatuh.