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MEDIA STATEMENT

MINISTER OF FINANCE
MINISTRY OF FINANCE MALAYSIA

MALAYSIA'S CAPITAL MARKETS TO REMAIN OPEN; MOST SECTORS OF ECONOMY REMAIN OPEN

As the world navigates COVID-19, one of history's worst pandemics, Governments globally have committed approximately USD11.7 trillion in economic stimulus measures to protect lives and livelihoods. The Government of Malaysia has also responded swiftly in addressing the COVID-19 crisis through four stimulus packages worth RM305 billion (USD75 billion) in 2020 to help our people and businesses. Further supporting our road to recovery are the measures outlined in Budget 2021 valued at RM322.5 billion; structural reforms to be announced in 12th Malaysia Plan, as well Malaysia's track record of economic resiliency.

Nonetheless, **despite firm COVID-19 containment measures, the number of infections in Malaysia has been on the rise, with daily infections rising to its highest level at 3,027 cases on 7 January 2021, and average daily infections hovering above 2,000 cases.** Although Malaysia's case-fatality ratio which, at 0.4%, is within the lowest 10% globally, the rising daily cases of infections has caused a strain on the nation's public healthcare system.

In recognition of the KDYMM Seri Paduka Baginda Yang DiPertuan Agong's declaration of a public health and economic emergency ("Emergency Ordinance") today, and the YAB Prime Minister's announcement of various forms of Movement Control Order ("MCO/CMCO/RMCO") yesterday, the Government would like to assure all Malaysians and investors that **the administration of the country has always been facilitated by a well-regulated financial system, including the capital and financial markets.**

The Malaysian capital markets will remain open to support and facilitate fundraising, trading and investment, with all regulatory functions in place throughout the MCO/CMCO/RMCO and the Emergency Ordinance period. The continued operations of the capital market are important to support the resilience and recovery of the Malaysian economy, as well as help investors manage of their risks and opportunities during this period.

I would also like to highlight that Malaysia has a resilient capital market ecosystem, supported by ample liquidity. There are proper market management measures in place to manage volatility. Clearing funds, margins and deposits arrangements are also in place to manage clearing and settlement risks. **The Securities Commission Malaysia together with Bursa Malaysia will continue to monitor the ongoing developments to proactively manage and mitigate risks in the marketplace, and will introduce additional precautionary measures, as appropriate.**

In terms of financial intermediation and payment systems, **the operations of financial institutions and financial markets will continue as usual, with services remaining available and accessible to borrowers. Bank Negara Malaysia continues to actively monitor conditions in the financial markets to ensure that there is sufficient liquidity in the foreign exchange, bond and money markets; and that market conditions remain orderly.** Malaysia's banking system buffers and sound risk management practices are able to mitigate the impact of any potential deterioration on credit quality and continue to support lending by banks to the economy during the duration of this Emergency Ordinance and various forms of MCO implementation.

Going forward, **the Government will continue to roll out the measures in Budget 2021 to firmly place Malaysia on its recovery path in 2021.** More importantly, **there is sufficient domestic liquidity to support any additional fiscal stimulus to support lives, livelihoods and businesses, if necessary.** In fact, **the Ministry of Finance has begun considering various measures to support the Rakyat and businesses during this period. We will not compromise on the rakyat and businesses' well-being.**

Malaysia's sound economic fundamentals will continue to enable the Government to respond effectively to the challenging environment, whilst maintaining economic growth and resilience. Finally, I would like to re-emphasise that the Government remains committed to build upon the current recovery momentum and ensure long-term sustainability for both our public finances and the economy.

YB Tengku Dato' Sri Zafrul Tengku Abdul Aziz
Minister of Finance
12 January 2021