



LET’S TALK:
FORGING AHEAD IN A
POST-PANDEMIC WORLD

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What lies beyond the pandemic?
(Pixabay/Ajay Kumar Singh)

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Orang Asal and COVID-19: An Imperative for Action in Post-Pandemic Malaysia

By Dato' Dr Madeline Berma

There is emerging evidence that many communities in Malaysia are disproportionately impacted by COVID-19. This article discusses critically the impact of the COVID-19 on the marginalised communities, particularly the *Orang Asal*.

What are the impacts of COVID-19 on the *Orang Asal*?

The *Orang Asal* become more vulnerable during the COVID-19 pandemic due to factors such as lack of access to effective surveillance and early-warning systems, as well as health services. Most of the *Orang Asal* rely on the forest for their food supply and sustenance, depend heavily on the informal economy, have inadequate access to social services or political influence, have limited capacities and opportunities to cope and adapt, and have limited or no access to technologies.



A longhouse situated at Nanga Sugai, Rantau Tapang, and Mujok in the interior of Sarawak
(Photo by Bernama)

The implementation and strict enforcement of the Movement Control Order (MCO) to prevent the spread of the virus had greatly impacted the Malaysian economy. The *Orang Asal* were among the hardest hit, because many of them rely on the forest for sustenance, particularly on

non-timber forest products (NTFP) as a source of income. Additionally, those who were most affected by the lockdown were those who work in the informal economy as daily-paid workers. They have limited means to earn a stable income and are extremely vulnerable, with no or little savings and excessive debt a key feature of their circumstance. The loss of income from the daily sales of vegetables, fruits, and rubber means that it was a constant struggle to put food on the table. This was exacerbated by the *Orang Asal*'s fear of going into towns for food supplies since that would violate the strict rules of movement imposed during the MCO.

Furthermore, with pre-existing health conditions – along with limited access to COVID-19 testing, care and information – *Orang Asal* were – and still are – at a greater risk of contracting severe COVID-19 infection that could even lead to death. The MCO lockdown exacerbated the marginalisation of indigenous communities, pushing them further into poverty, coupled with higher rates of malnutrition, lack of access to clean water and sanitation, and to medical services. The situation is further compounded by the lack of trust among the *Orang Asal* of authorities and services provided. Their negative experience or fear then hampers the uptake of services, information and digital tools used in response to COVID-19.

Orang Asal's traditional lifestyle is a source of their resiliency. This entails large gatherings in longhouses or villages such as during the *Gawai* festival and healing rituals which hinder efforts in preventing the spread of COVID-19. Additionally, the *Orang Asal* live in multi-generational longhouses, putting them and their families, especially the elders, at higher risk of infection.

Many *Orang Asal* communities have also denied non-residents from entering their communities by using physical barricades to control road access and



Youth of the Batek tribe of *indwere* spotted in Gua Musang (Photo by Bernama)

closing their villages and longhouses to help prevent the spread of the virus, as well as enforcing restrictions on mobility and group gatherings. These, however, have negatively affected food supply and their livelihoods, and have resulted in awareness gaps on the pandemic amongst the *Orang Asal* communities.

Measures to stop the pandemic are being applied to *Orang Asal* communities without their free, prior and informed consent and without taking into account the systemic barriers faced by recipients. Health and financial support to *Orang Asal*, especially those in remote areas and without official documents such as identity cards have been delayed.

Vaccination plans have been adopted without effective consultations with *Orang Asal*. These kinds of consultations are imperative to ensure that the *Orang Asal* are informed. It is also to address their cultural and linguistic needs, physical isolation and the lack of healthcare infrastructures.

***Orang Asal* in a Post-Pandemic World: Imperative for Action**

COVID-19 has demonstrated the need to redesign programmes to ensure sustainability amidst crises. It has dramatically illustrated the need for effective and equitable plans and systems to ensure sustainability amidst a crisis that transcends economic, social and politically determined inequities. This section presents a series of recommendations to support the capacity of *Orang Asal*, give them priority assistance, and engage them in decision-making processes for response, recovery, preparedness, and risk reduction.

- 1. *Orang Asal* as key partners and agents of change** – The government and the private sector should consider Indigenous Peoples not simply as victims of COVID-19 but also as active partners and agents of change who are able to offer effective solutions for the crisis. *Orang Asal*'s traditional knowledge, and cultural practices are uniquely positioned to help enhance



Jerantut district health centre assisting Ulu Tembeling *Orang Asli* communities in manually registering for the Covid-19 vaccination programme (Photo by Bernama)

their resilience and post-pandemic recovery. It is important that crisis recovery measures and responses are done with free, prior, and informed consent (FPIC) of affected *Orang Asal*. It is essential that *Orang Asal* be included at the early stages of contingency planning, as well as in recovery and post-pandemic decision-making processes.

2. **Ensure the participation of *Orang Asal*** in the mainstream science, data, and policy nexus decision-making process. Under the international norm of Indigenous self-determination, the United Nations encourages governments to include Indigenous peoples' representatives, leaders and traditional authorities in emergency and health response committees, and indeed any entity dedicated to COVID-19 response and recovery (FAO 2020).
3. **Establish post-COVID-19 Reconstruction Programmes** specifically aimed at marginalised groups, including *Orang Asal*'s needs to support and re-establish their traditional livelihoods, economies and sustain their communities.
4. **Develop a database on *Orang Asal*** - Data is key to building back better after COVID-19. There is a need to collect good quality, inclusive, intersectional and disaggregated data on economic outcomes by ethnicity, age, and gender to generate insights specific to the impacts of the pandemic. There is also a need to include the *Orang Asal* in the data collection process. These disaggregated data can provide vital information on understanding the successes or failures of existing policy responses and help with designing effective policies for the future.

- 5. Strengthen Communication** - The government, NGOs and international organisations should strengthen communication strategies on COVID-19 together with and for *Orang Asal*, giving priority not only to biomedical content, but also to knowledge and practices of self-care and prevention that are part of the cultural heritage of *Orang Asal* and their traditional health systems. This information should be disseminated in *Orang Asal* languages to build trust, for example in vaccination campaigns and in the application of social protection programs for *Orang Asal*.
- 6. Inclusive economic growth** – For Malaysia, shifting from the COVID crisis to strong GDP growth will necessitate pushing ahead with major projects such as construction. It is essential that job creation and economic development programmes work for all Malaysians, including *Orang Asal*. As Malaysia rebuilds its economy, it is necessary that *Orang Asal* have opportunities to participate in these large resource projects as true partners.
- 7. Developing Crisis Responsive Social Protection System** – **There is a need to develop a crisis or shock-responsive social protection system** to mitigate the impact of future shocks and crises, enable speedy recovery and strengthen the resilience of vulnerable communities, such as the *Orang Asal*. It is necessary to recognise community-based (and informal) social protection mechanisms that had been implemented by *Orang Asal*. There is a need to strengthen, expand and coordinate them with formal social protection systems as a basis for an extended, inclusive and culturally appropriate social protection.
- 8. Cultural and social support** – From a cultural perspective, we noted that social distancing is contrary to *Orang Asal*'s cultural practices. Enforcing travel bans, movement restrictions and quarantines have negative consequences within and beyond *Orang Asal* communities, including stress, hardship, interpersonal issues, domestic violence, and alcohol misuse. One way to support *Orang Asal* communities is to support *Orang Asal* community radio stations that inform and support their communities in their own languages with culturally relevant information to prevent the spread of COVID-19. Community radio stations are lifelines in rural and remote *Orang Asal* communities where the internet is not accessible. These community radio stations can build trust within communities to uplift their struggles and voices. Community radio is a tool to spotlight local stories, essential information, knowledge, and solutions, especially during times of emergency.

Conclusion

The COVID-19 pandemic has exacerbated the marginalisation and vulnerability of the *Orang Asal*. Pandemic prevention and control measures such as MCO are unrealistic or insufficiently tailored for the *Orang Asal*, and in some cases had increased risks and vulnerability. This paper has forwarded key recommendations as imperative for action to support the capacity, strengthen resilience and enable the speedy recovery of *Orang Asal* during times of crisis in Malaysia.

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Public Procurement: A Strategic Instrument to Support Malaysia on the Road to Post- Pandemic Economic Recovery

By Mohammad Shafiq Syazwan B Mohd Ashri

At the onset of COVID-19 crisis in 2020, the Government of Malaysia announced the Prihatin Rakyat Economic Stimulus Package (PRIHATIN) to ease the severe impact of the pandemic and the imposition of various forms of Movement Control Order (MCO) nationwide. PRIHATIN, introduced on 27 March 2020, is an allocation of RM4 billion for the implementation of small-scale projects across the country excluding the implementation of projects approved under the 2020 Budget. The announcement was followed by some interim relaxation of procurement rules and procedures as part of the Government's effort to accelerate PRIHATIN's implementation to increase public expenditure to promote domestic economic growth. As of 1 March 2022, the Ministry of Finance (MoF) was of the view that the interim relaxation enforced during the pandemic was still relevant, taking into account the uncertainties of the pandemic as well as supporting the economic recovery of the country, where the economy is expected to grow between 5.5 to 6.5 percent in 2022.

In line with the prevalence and continuous increase of COVID-19 cases, the Cabinet also approved a financial allocation for the implementation of outsourcing services for surgical and non-surgical clinical cases to private hospitals amounting to RM174 million for phase 1 (from 1 January to 31 December 2021) as one of the initiatives to assist Government Hospitals nationwide in reducing a backlog of 20,772 non-COVID-19 cases. This initiative received an extension of the implementation period by MoF for phase 2 which amounted to RM70 million with services expanded to an estimated 8,400 elective and non-elective clinical cases - with the primary objective of establishing Public-Private Partnership (PPP) collaboration in tackling the pandemic among others.

In a joint effort between MoF and Bank Negara Malaysia (BNM), a pilot project for Skim CAKNA was introduced from 1 March 2021 to 28 February 2022. It is a tripartite arrangement involving the Companies which have been awarded Government supply contracts, participating Banks (CIMB Islamic Bank, Maybank Islamic Berhad, MBSB Bank and RHB Islamic Bank) and participating Ministries (Ministry of Health, Ministry of Education, Ministry of Higher Education and Ministry of Communications and Multimedia). The arrangement provided a financing facility to assist the Company's cash flow payment through the sale of receivables to supply goods and services



A soldier cleaning an area under tighter lockdown while wearing personal protective equipment in Kuala Lumpur
(Photo by Reuters/ Lim Huey Teng)

(of the Government contracts) to any of the participating banks. This initiative was intended for companies to better manage its operations and cash flow, allowing uninterrupted and swift payments to suppliers and employees.

In retrospect, the decision made by the Government to use public procurement as one of the strategic instrument for the past two years was not only limited to savings in government expenditure but also to support recovery efforts, including economic, social and human aspects when it was used strategically. As such, the significant impact of public procurement cannot be overstated as it can be a crucial vehicle to support overarching policy goals and contribute to the country's development.

In the short term, public procurement can be utilised as one of the strategic instruments under the fiscal policy to minimize the impact of a possible slowdown in private consumption due to inflationary pressure caused by exogenous factors, such as the Russian-Ukraine conflict and the rise of protectionism in the form of export restrictions around the globe. China's prolonged slowdown due to the zero-COVID policy has also aggravated our Malaysian manufacturers with direct and indirect exposure to China, our largest trading partner for 12 consecutive years in 2020, with trade valued at RM541.43 billion as well as being the largest foreign direct investment in the manufacturing industry for four consecutive years.

To curb the economic downturn, public procurement can play a significant and strategic role in boosting domestic economic growth. Based on the National Budget 2022, the Government has allocated RM332.1 billion (20.3 percent of GDP) and it is estimated that around RM142 billion (43 percent of OE and DE expenditure) will be used for procurement purposes involving goods, services and works.

This procurement expenditure can lead to a high multiplier effect and promote economic growth as a total of RM40.2 billion will be provided for the economic sector in an effort to increase the capacity of the economy and strengthen the country's competitiveness. Under the transport subsector, for instance, a total of RM15.5 billion will be allocated for construction, infrastructure repair and major maintenance of highways, roads, railway tracks, bridges, seaports and airports. This ambitious federal infrastructure spending may lead to improved infrastructure which potentially increases work productivity due to more efficient transportation of goods. The shortening of commute times while extending the number of work hours would accelerate GDP growth and improve Malaysia's long-term fiscal outlook. Apart from that, a total of RM3.8 billion is allocated for the digitalisation of the Public Sector, which includes the expansion of Government cloud and data centres as well as IT modernisation among others, and this in turn can catalyse economic recovery by enabling government organisations to adapt nimbly and respond swiftly to the *rakyat's* needs in times of crisis like the COVID-19 pandemic.

In the medium to long run, a sound public procurement can serve as a fundamental component in meeting our international obligations and commitments such as Malaysia's Nationally Determined Contribution (NDC) to the United Nations Framework Convention on Climate Change (UNFCCC) to reduce economy-wide carbon intensity (against GDP) of 45 percent in 2030. The Government Green Procurement (GGP) policy initiative, which was introduced in 2016 under the 11th Malaysia Plan, can be further fortified and widely adopted as public procurement can influence the demand side of the supply chain by creating a market of its own due to its considerable percentage in GDP. This move will be able to attract high-

quality investments such as renewable and alternative energy industries to fulfil the demand from the Government. For instance, the Sarawak State Government's initiative through Sarawak Energy Berhad to build the hydrogen economy and ecosystem through the procurement of fuel cell electric vehicles powered by hydrogen for all Government official car fleets and public buses. This illustrates the significant role and influence of Government procurement in creating a new source of clean energy carrier for the country. As the technology matures, it can be a new source of the energy mix for the country which will not only address our energy security and climate change risk but also become a new source of export revenue which could be worth US\$300 billion yearly by 2050, creating 400,000 high-skilled jobs in renewable energy and hydrogen production globally as estimated by PwC.

Public procurement can also act as the catalyst to propel Malaysian companies toward embracing the Environmental, Social and Governance (ESG) principle for the long term by incorporating the ESG

matrix into the specifications as one of the basic points for the evaluation committee's deliberation in finalising the tender. This in turn will act as a motivating factor to encourage ESG compliance and adoption among the Malaysian companies which will provide a tremendous opportunity for the country to tap into the United Nations Principles for Responsible Investment (UNPRI) global institutional funds, which makes up more than 4,000 signatories from over 60 countries representing US\$120 trillion worth of assets.

Finally, the Government should also consider making our public procurement smarter by harnessing Big Data Analytics (BDA) and Artificial Intelligence (AI) technology, with the purpose of leveraging the power of big data for better procurement decision-making in the future. Cutting-edge predictive analysis will not only help to reduce costs and provide value for money to the Government, but also measure the direct and indirect overall impact and benefits of public procurement on the economy, socio-economy, environment and other aspects. Effective and efficient use of public expenditure through public



Malaysia's Finance Minister Tengku Zafrul Aziz tabling Budget 2022 in Parliament on 29 October 2021
(Photo by EPA-EFE)



Malaysiakini reporters at Arena Warna, DUN Semarang, found that certain groups benefited from various incentives from 2020 until 2021 (Photo by Malaysiakini)

procurement will lead to a better and higher quality of goods, services and works, providing a net benefit that will positively impact the human, economic, social and natural capital of the country in the long run.

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Ukraine-Russia Conflict: The Spillover Effects on Malaysia and the Asian Economies

By Shairah Abdul Wahab

Economic Affairs in Europe and Central Asia

The world today is witnessing an intense Ukraine-Russia conflict. The conflict has added to growing concerns of a global economic slowdown, surging inflation and debt, and a spike in poverty levels. The economic impact has been felt in various aspects, including commodity and financial markets, as well as commerce and migration, among others.

In light of the escalating Ukraine-Russia tension and the ongoing sanctions imposed on Russia, the European Union (EU) agreed, on 30 May 2022, to a 90 percent embargo on Russian oil supplies to Europe. The seaborne shipment of Russian oil will be banned, while the remaining 10 percent will be temporarily exempted from the embargo to enable Hungary, Slovakia, and the Czech Republic to have access via the Druzhba pipeline from Russia. It is believed that this compromise reached within the EU member states could lead to the possibility for the bloc to consider a complete ban on Russian gas in the future. This would again trigger a spike in global oil prices that will further emphasise the need to boost energy supply from renewable sources for the bloc's energy security and step up the implementation of large-scale energy efficiency measures in Europe.

The conflict is undoubtedly taking a toll on the economies of Europe and Central Asia, regions that were already on the verge of an economic recession this year due to the pandemic's persistent effects. Apart from Russia and Ukraine, Belarus,

Kyrgyz Republic, Moldova, and Tajikistan are predicted to enter recession this year, with growth forecasts lowered in all economies due to war-related spill-overs, weaker-than-expected euro-area growth, and commodity, trade, and financing shocks. According to the press release by the World Bank in April 2022, Europe and Central Asia regions' economy is forecast to shrink by 4.1 percent this year, compared to the pre-Ukraine-Russia conflict forecast of 3 percent growth. The economic shocks from the conflict are intensified with the ongoing impacts of the COVID-19 pandemic.

Nonetheless, the tit-for-tat responses from both Moscow and Kyiv, together with Washington and its allies, suggested that the conflict is far from de-escalating, hence stretching the global economic activities' uncertainty, as well as disrupting the stability of the global supply chain. The severe humanitarian crisis since the conflict's early global shockwaves have resulted in a disruption to the crucial assistance to host nations and refugee communities. Hence, the World Bank is creating operational support programmes for adjacent countries, like Hungary, Poland, and Baltic countries, to cover the increasing funding needs resulting from refugee flow.

Economic Affairs in Malaysia and Southeast Asia

The ongoing Ukraine-Russia conflict has the potential to impede Southeast Asia's post-COVID 19 economic recovery. Several months now into the conflict, the adverse impacts are already visible in several economic spheres, with the energy industry being hit the worst, given that Russian energy is the crux of the economic growth in the region. Though most of the Association of Southeast Asian Nations (ASEAN) member states do not have direct economic links with Russia, it has nonetheless not been spared from the economic impact of the conflict.



Demonstration outside the UN headquarters in New York against Russia's invasion of Ukraine on 28 February 2022
(Photo by Bloomberg)

The direct consequence of the conflict on Southeast Asian countries is a spike in commodity prices, particularly oil, nickel, wheat, and corn. This trend is more worrying for Singapore, Vietnam, and Thailand, who are net importers of these commodities from the conflict-ridden

region. Due to the commodity price surge, Thailand has seen a constant increase in producer and consumer price inflation. While in Vietnam, there has been an oil shortage, and reports of petrol hoarding, which is further driving up the price. The impact of rising oil prices can also be seen



The aftermath of a missile attack on a residential building in Kyiv, Ukraine (Photo by Lynsey Addario for The New York Times)

in transportation, housing, electricity, gas, and other sectors in Vietnam, Malaysia, and Indonesia.

Not all Southeast Asian economies are directly affected. The low energy consumption of Indonesia, Malaysia, and the Philippines will curb the impact of rising oil prices on inflation. Comparably, the rise in oil prices in Singapore and Thailand, being relatively high petrol and energy-consuming economies, has instantly increased their domestic prices. The prolonged rise in commodity prices, since the COVID pandemic, has fuelled

the fears of recession. Furthermore, the poverty facilitation efforts will be disrupted and halted in the wake of the Ukraine-Russia conflict, hence further aggravating the income inequality.

Malaysia's economy has expanded by 3.1 percent in 2021. The economy returned to pre-pandemic state as nominal Gross Domestic Product (GDP) expanded by 9 percent to reach RM1.54 trillion, exceeding the 2019 output level of RM1.51 trillion. Geopolitically however, Malaysia is also affected by the conflict which has threatened the world economy and financial



markets amid mounting policy-induced uncertainty, as Malaysian industry is market-oriented. The immense economic and financial sanctions imposed by the Western countries on Russia have shaken the financial markets globally. Surging energy prices and the prospect of higher food prices of grain exports from Russia and Ukraine are stoking fears that inflation will run far higher than central banks have anticipated, as well as disrupting the ongoing process of economic recovery. The United Nations (UN) Department of Economic and Social Affairs (DESA) recently released its World Economic

Situation and Prospects (WESP) report for 2022, which cites several of the issues slowing the global economy, including new COVID-19 outbreaks, lingering labour market and supply-chain challenges, and rising inflationary pressures.

To deal with the ongoing situation arising out of oil supply disruptions due to the Ukraine-Russia crisis, Asian governments and ASEAN member states, particularly those who are net oil importers should look out for alternative oil suppliers, such as Saudi Arabia and Venezuela, to secure their energy requirements. Regional groupings in Asia such as ASEAN and the South Asian Association for Regional Cooperation (SAARC) can be used to create pressure on the Organisation of Petroleum Exporting Countries (OPEC), and International Energy Agency (IEA) member states to increase the supply of oil and reduce the rising oil prices. In the long run, the oil-dependent states should work toward diversifying their energy supply and look for other alternative sources of renewable energy. Energy efficiency could also go a long way in controlling soaring oil prices. Gradually, transitioning towards renewable sources of energy to drive economic growth is the only way to reduce oil dependency.

Moscow's Other Interests in the Southeast Asian Region

Taking the wheat trade as an example, Russia and Ukraine account for about 40 percent of wheat imports in the Southeast Asia region and about 75 percent or more in Central Asia and the South Caucasus. Russia is also a major export destination for many countries, while remittances from Russia are close to 30 percent of GDP in some Central Asian economies like the Kyrgyz Republic, and Tajikistan.

Trade is also one of the strong pillars of Malaysia-Russia relations. In 2021, Russia was Malaysia's 29th global trading partner, and the largest trading partner,



The conflict in Ukraine will have a significant impact on Asian economies since Russian energy is a key factor in the region's economic expansion (Photo by Bloomberg)

export destination, and source of imports among the Commonwealth of Independent States (CIS). Trade between Malaysia and Russia is valued at around US\$2.2billion, and the trade relationship has been good for a number of years.

After the introduction of large-scale sanctions against Russia by the Western countries, the interest of Russian business in Southeast Asia including Malaysia has exponentially grown. The authorities have received inquiries about the products of the Asian country in agriculture, healthcare, and electronics.

The sanctions have also restricted and upset the supply of high-tech equipment to Russia. Given the important role of Malaysia in the global supply of semiconductors and electronics, can Malaysia replace the supply of such products to Russia?

As Malaysia is one of the largest semiconductor exporters with an annual volume of US\$8.7 billion (RM 38.24 billion), the electronics sector provides almost six percent of Malaysia's GDP. The Malaysian economy is very forthcoming, therefore, as a trading nation, Malaysia's business sector will generally respond to the supply and demand of products in the global market, including semiconductors, electronics, and electronic devices. Nevertheless, Malaysia, underscoring its firm position of non-interference, remains steadfast in its effort to call upon all states and actors, to conduct each primary and impartial responsibility in maintaining international peace, and security, hence immediately de-escalate the Ukraine-Russia conflict. Regardless of the current geopolitical tension, Malaysia commits to manufacturing high-quality goods, being a friendly trade and business partner, as well as to remain harmonious with all parties.



Druzhba oil pipeline (Photo by Siberia.Transneft.Ru)

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"Focus in Continuity: A Framework for Malaysia's Foreign Policy in a Post- Pandemic World"

was launched on 7 December 2021 by YAB Dato' Sri Ismail Sabri Yaakob, Prime Minister of Malaysia. The Framework serves as an extension to the previous Foreign Policy Framework of the New Malaysia and complements the Ministry of Foreign Affairs' Strategic Plan 2021-2025, the Twelfth Malaysia Plan (2021-2025), and the Shared Prosperity Vision 2030.

The Framework sets out the priority areas of Malaysia's foreign policy amidst the COVID-19 pandemic and aids the conduct of Malaysia's foreign policy. The priority areas include:

- Revitalise Malaysia's Links to the Global Economy
- Health Diplomacy
- Digital Economy
- Cybersecurity
- Cultural Diplomacy
- Peaceful Coexistence
- Upholding Multilateralism
- Sustainable Development Goals (SDGs)

Let's Talk Newsletter is a series of publications based on the priority areas and complements IDFR's talk show series with the same title – Let's Talk.



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