

MESSAGE FROM THE CHAIRMAN



A *lhamdulillah*, it's been a year since Malaysians voted for a change in government and a new administration was elected. It is a victory of the people, for the people and by the people, especially as it was achieved peacefully. Not many countries go through transition of Governments peacefully. The new Malaysia that we are crafting has since strived to uphold the principles of fairness, good governance, integrity and the rule of law.

The new Government is committed to end corruption and to put in efforts to fight graft. Integrity is fundamental to a thriving business environment. It gives confidence to the business

community that they can invest in Malaysia safely without unsavoury and illegal practices. The Government, while saddled with many legacy issues that need fixing, is focused on policies and measures to reduce the country's debt levels and rebalance the distribution of wealth. This is because the previous administration failed to focus on equitability in the distribution of wealth; that instead, corruption and cronyism abounded and only a select few benefitted and prospered. The country was on the brink of ruin when the new Government took over. We were forced to take measures to prevent that from happening and to reverse several actions of the previous government that would have been

detrimental to the well-being of the economy and the *rakyat*.

We also conducted a comprehensive review of all megaprojects, of which some have either been renegotiated, postponed or cancelled to reduce the financial stress on the country's borrowings. We expect Malaysia's debt levels to stabilise and become more manageable moving forward, and with that, the country's economy to be reset for growth.

The Government has also considered the welfare and roles of mothers in our community, especially those who have given up careers to take care of their children and households. An

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EPF scheme targeted for housewives was introduced to assist them in their retirement planning. In addition, minimum wage was raised to RM1,100 nationwide from 1 January 2019, as part of measures to help Malaysians cope with the rising cost of living. We intend to continue to increase minimum wages in stages over the next few years. The Government will also review labour laws to empower the labour market and enhance employee welfare. All these we hope will spur Malaysians to strive for higher productivity.

One year is not a long time, yet it is also not too short for changes to take place. And all these changes are necessary if we want to see Malaysia return as an Asian Tiger. The challenges are not for the Government alone. It is crucial for all Malaysians to unite and chart the nation's destiny together. Our hope and ambition are to reach a developed nation status by 2025, and we need to put in greater effort towards that goal.

The year 2019 marks the 25th anniversary of Khazanah Nasional (Khazanah). When we set up Khazanah, the vision was to enable national assets to be held and managed responsibly, so that they will continue to generate wealth for all Malaysians in generations to come. I am glad that this vision remains true.

In 2018, along with my appointment as Chairman of Khazanah, several other changes were made to the Khazanah Board of Directors and Management. Khazanah is now undergoing an organisational wide transformation and refocusing itself on its refreshed mandate to grow Malaysia's long-term wealth, with clear commercial and strategic investment objectives. The changes at Khazanah will ensure that it is set on a strong footing to sustainably deliver on the roles and responsibilities that it has been entrusted with as Malaysia's sovereign wealth fund.

I would like to express my appreciation to the Board of Directors, management and staff of Khazanah for their collective contribution towards the organisation. Khazanah's success is crucial, as it plays an important part in supporting Malaysia's economic growth. The tasks ahead are not without challenges but with continuing hard work, I'm confident we will continue to achieve success in the future.

Dr Mahathir Bin Mohamad
Chairman
Khazanah Nasional Berhad
May 2019



Dr Mahathir Bin Mohamad delivering his closing address at the Khazanah Megatrends Forum (KMF) 2018

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