

The Impact of Covid-19 on Mineral Investments In Malaysia



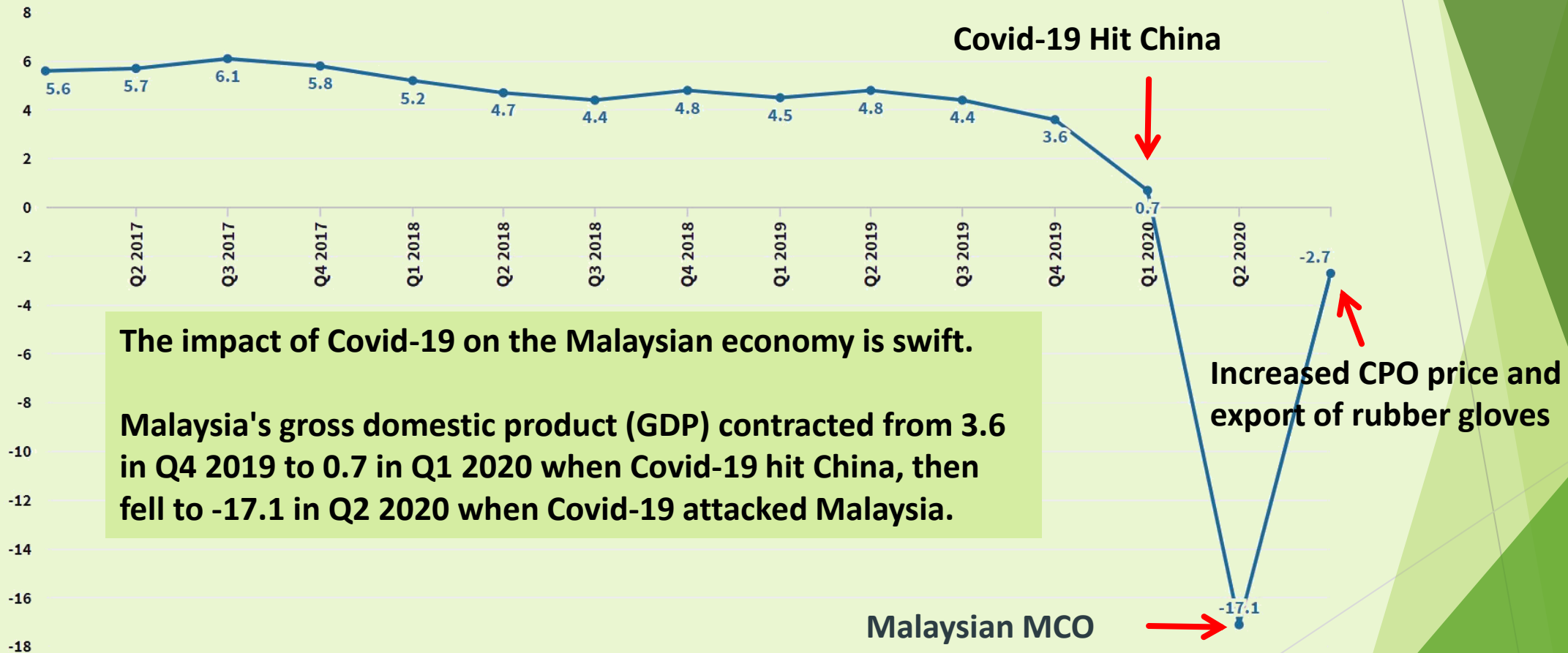
**Dato' Sia Hok Kiang P.Geol.
Malaysian Chamber of Mines**

17th November 2020

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(Q1 2017 - Q3 2020)

■ GDP growth rate (%)



The impact of Covid-19 on the Malaysian economy is swift.

Malaysia's gross domestic product (GDP) contracted from 3.6 in Q4 2019 to 0.7 in Q1 2020 when Covid-19 hit China, then fell to -17.1 in Q2 2020 when Covid-19 attacked Malaysia.

Source: Department of Statistics Malaysia

malaymail



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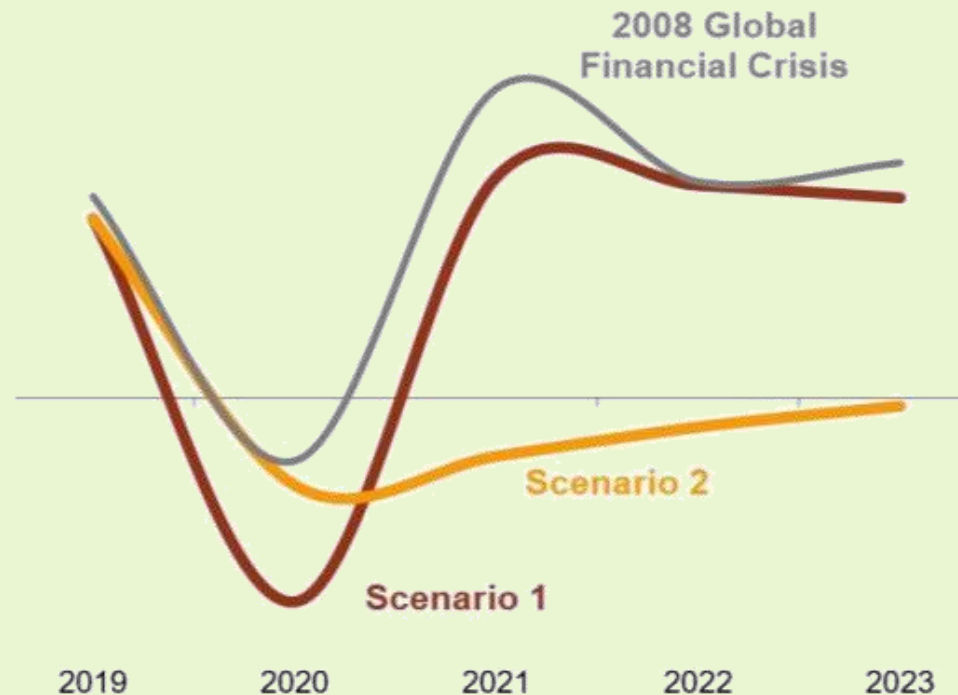
BNM Anticipates GDP Shocks To Be More Severe Than 2008 Global Financial Crisis (Solvency Stress Test Scenarios)

Adverse Scenario 1:

Malaysia to have **V-shaped recession**. It is assumed to experience a sharp recession.

Adverse Scenario 2:

Malaysia to have **L-shaped growth path**. Assumes an environment of prolonged sluggish growth, which will adversely impact income, wealth and sentiments over an extended period, as policy responses are either minimal or significantly underwhelming.



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The impact of Covid-19 on the Malaysian Mineral Industry is less than other business sectors

- Most mines resumed operation within two weeks of the implementation of movement control. By June 2020, 147 mines are active as compared to 155 mines in 2019 (Source: JMG).
- The rise in commodity prices such as iron ore (in anticipation of supply shortage from Brazil when the height of Brazilian Covid-19 cases coincided with the reopening of Chinese Steel mills in April) had actually spurred increased productivity of the mines.



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The impact of Covid-19 on the mineral industry generally are related to movement controls and Border Closures.

- Extended border closure has affected the movement of mine labour and spare parts
- Danger of Covid-19 spreading among mine workers quarters
- Delay in executing exploration programme
- Disrupted technical dueD site visits by competent persons
- Mineral project proponents could not return to Malaysia
- Delay in mineral investment decisions



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The Covid-19 actually brought some positive changes to the Malaysian mineral industry

- **More use of virtual meetings between companies**
- **Fast International cooperations**
- **More exposure to International expertise**
- **More research done on project development, by comparing geological and metallurgical models with other established mines**
- **Miners become more vigilant on health and safety issues**
- **People are more aware of the importance of new technology metals**
- **R&D on cross discipline applications on the mineral industry e.g. the use of Nanotechnology on the beneficiation of difficult ore.**



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The government has recognised the economic importance of the mineral industry in the post Covid-19 recovery.

- **The Ministry of Energy and Natural Resources will launch the National Mineral Industry Transformation Plan 2021-2031 to develop the country's mineral resources estimated at RM4.11 trillion;**
- **In Sarawak, The Sarawak Economic Action Council (SEAC) plans to grow the Sarawak economy at 8% annually in order to double the size of its economy from RM133 billion in 2018 to RM282 billion by 2030, with the commercial agriculture, mining, forestry, manufacturing, and services as its growth engines.**



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The Regional Comprehensive Economic Partnership (RCEP) as an economic recovery tool against Covid-19

- Malaysia has recently signed the RCEP.
- RCEP amalgamates ASEAN+1 free trade agreements with Japan, Korea, China, Australia and New Zealand, into an inclusive and comprehensive agreement.
- RCEP covers 15 countries with 2.2 billion (29.7% of the world's population) is the largest Free Trade Agreement (FTA) in the world.
- Together with the existing ASEAN cooperation in the mineral sector through ASOMM and AFMA, the mineral industry in the region provides a vast investment opportunity.



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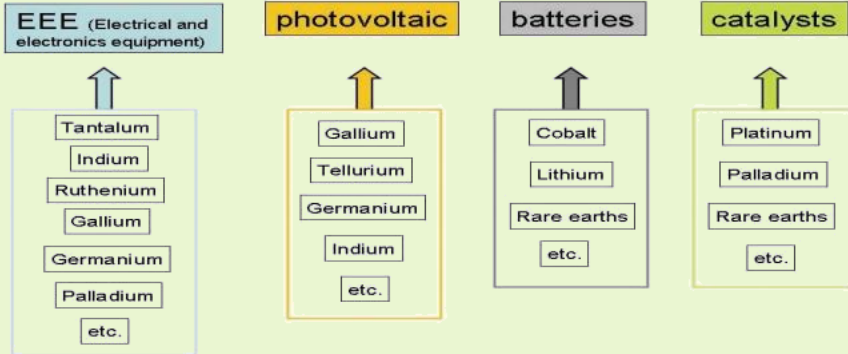
The Recognition of New Technology Metals as a new target for mineral investment.

- The emergence of new energy technologies spurred a worldwide search for new technology metals.
- The Department of Mineral and Geoscience of Malaysia has identified resources of New Technology Metals in the country.
- A special committee has been formed to streamline and expedite the development of new technology metals as a new source of national wealth for the economic recovery post Covid-19.
- R&D is ongoing to identify the resources and the sustainable extraction of these valuable new technology metals.



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R&D on the Malaysian new technology metals resources for the post Covid-19 recovery.



											Atomic Number, Element Wavelength Ionization States																
											Detection Limit Ranges																
											Wavelength (nm)																
											Ionization States																
											I = Neutral Atom II = +1 ion																
1 H																				2 He							
3 Li 670.784 I	4 Be 313.107 II																			5 B 249.772 I	6 C 193.030 I	7 N	8 O	9 F	10 Ne		
11 Na 589.592 I	12 Mg 280.271 II																			13 Al 396.153 I	14 Si 251.611 I	15 P 213.617 I	16 S 180.669 I	17 Cl 725.670 I	18 Ar		
19 K 766.490 I	20 Ca 393.366 II	21 Sc 361.383 II	22 Ti 334.940 II	23 V 290.880 II	24 Cr 267.716 II	25 Mn 257.610 II	26 Fe 238.204 II	27 Co 228.616 II	28 Ni 231.604 II	29 Cu 327.393 I	30 Zn 206.200 II	31 Ga 417.206 I	32 Ge 265.118 I	33 As 188.979 I	34 Se 196.026 I	35 Br 863.866 I	36 Kr										
37 Rb 780.023 I	38 Sr 407.771 II	39 Y 371.029 II	40 Zr 343.823 II	41 Nb 309.418 II	42 Mo 202.031 II	43 Tc	44 Ru 240.272 II	45 Rh 343.489 I	46 Pd 340.458 I	47 Ag 328.068 I	48 Cd 228.802 I	49 In 230.606 II	50 Sn 189.927 II	51 Sb 206.836 I	52 Te 214.281 I	53 I 178.215 I	54 Xe										
55 Cs 455.531 I	56 Ba 455.403 II	57 La 408.672 II	72 Hf 264.141 II	73 Ta 226.230 II	74 W 207.912 II	75 Re 197.248 II	76 Os 228.226 II	77 Ir 224.268 II	78 Pt 214.423 I	79 Au 267.595 I	80 Hg 194.168 II	81 Tl 190.801 II	82 Pb 220.353 II	83 Bi 223.061 I	84 Po	85 At	86 Rn										
87 Fr	88 Ra	89 Ac																87 Fr	88 Ra	89 Ac							
58 Ce 413.764 II	59 Pr 414.311 II	60 Nd 406.109 II	61 Pm	62 Sm 442.434 II	63 Eu 381.967 II	64 Gd 342.247 II	65 Tb 350.917 II	66 Dy 353.170 I	67 Ho 345.600 II	68 Er 337.271 II	69 Tm 313.126 II	70 Yb 328.937 II	71 Lu 261.542 II														
90 Th 283.730 II	91 Pa	92 U 385.958 II	93 Np	94 Pu	95 Am	96 Cm	97 Bk	98 Cf	99 Es	100 Fm	101 Md	102 No	103 Lr														



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The Malaysian Mineral Industry is determined to contribute to the speedy recovery of the Covid-19 inflicted recession.



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The Chinese word for “CRISIS” consists of two words
“DANGER” and “OPPORTUNITY”

Wei Ji

DANGER 危机 OPPORTUNITY

There are always opportunities in a crisis
if one manages the danger well.

Investors are welcome to participate in the robust post
Covid-19 mineral investment opportunity in Malaysia



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THANK YOU

