

Total War Against Covid 19 (SARS-CoV-2) In 2 Parts

By Matthias Chang – Future Fast-Forward

Part 2 (continuation)

Declaration of War Against Anwar & Lim Kit Siang

What I am writing in the next few paragraphs reflect my total approach and attitude towards the current crisis faced by the PM and his team. It's not just another crisis for me, to score points against my political enemies (which I don't indulge) and or to get cheap publicity. Only political harlots would steep that low!

Take my above declaration seriously for I am now calling out to Anwar and LKS and their parties PKR and DAP to shut the F..K up and cease spewing cock and bull propaganda against our PM, because they have not done any proper research, are not relying on sound principles to back their sound-bites and more importantly, they have failed to discharge their duties and responsibilities as members of parliament.

Boycott and delete whatever messages they have sent you. Do not share any of their propaganda (spread by their cyber-troopers) because these scumbags are diverting our attention from the crisis to manufactured non-issues to sustain their sinister and infantile attempts to rebrand themselves as serious political leaders worth following. They must be flushed down the toilet bowl.

The title "Total War Against Covid 19" is not a ploy. Many world leaders have now unhesitatingly, adopted as a matter of policy the correct stance that we must be on a war footing to defeat Covid 19 and destroy all political harlots who are exploiting the crisis as an opportunity to advance their agendas and blatant grab for power.

Anwar and LKS have unleashed their political virus, **ALKS-PH-3** to **infect your minds** so that you can be the easy fodder for their anti-government campaign to resurrect the PH political carcass after failing to entice Tun Mahathir (Tun M) to continue in the lead role of the PM-in-Waiting / First Family-in-Waiting pantomime.

What Can Go Wrong?

No Commanding General in any war can be absolutely certain of victory. There are always Contingency Plans (the "What if" Plan B). Battlefield dynamics never follow the most well laid-out plans. Bear that in mind.

In my 3rd Segment of my article sent out yesterday, I took pains to focus on the essence of preparing for the War on Covid 19 (firstly, by understanding the status quo ante Covid 19. Please read again and again the bullet points and why the tool of Critical Path Analysis is indispensable) and that victory can only be considered achieved **when the fruits of victory can be harvested. What victory is there to celebrate when there are no soldiers returning to their families and the country and economy is totally devastated?**

In short, the **CURE** must **not be WORSE** than the disease. The **victory** must be justified **by the sacrifice and sufferings endured.**

This war was thrust upon PM Muhyiddin (PM) and he had to galvanise the entire nation to fight a war on short notice, because the idiotic Anwar and LKS arseholes ignored the Covid 19 danger to the country and indulged in a crass and ugly grab for power. And Tun M was diverted and pushed into the corner fighting for his political survival instead of discharging the duties as a war-time Prime Minister! In a "Hot War" scenario, Anwar and LKS would be charged for high treason and gross dereliction of duty. It is that criminal and sickening!

I pray that Allah would bless PM with the wisdom that in the deadly war against Covid 19, he must discharge his duties as a war-time PM.

The crisis we are facing is not a **manufactured crisis by Malaysian politicians, as some armchair critics and diehard opposition supporters would have us believe. It cannot be switched on and switched off!** The war has started and we are asked to prepare for the aftermath, as we are confident of defeating Covid 19. Please revisit my Bullet Point Analysis and the tool – Critical Path Analysis. If you do not know the choke points and potential dislocations at various points on the Critical Path, we can kiss goodbye to a resounding recovery. Period!

The Aftermath

Let me state at the outset, as I have done many times. I will not criticise the PM and his team at this juncture of the war. He and his team have not betrayed the country and our interests. They are in the "bunker" stressed out and doing their utmost to win the war. No kudos to those who have "discovered" some errors. Errors are expected. Can you do better?

For sure, there will be ugly and bitter choices to be made. Churchill sacrificed the massive bombing of Coventry (which he knew in advance) so as not to disclose that UK has broken Germany's top secret Enigma Code that can track all German military movements and plans during WWII.

That said, we cannot SWITCH ON the recovery mode and in an instance (V shape curve recovery) turbo-charge our economy to achieve 4% or more GDP. I can safely ASSERT, this not achievable and we have no right to demand and or expect such recoveries.

We need time, and the present policies (whether the Govt. is aware or not) in my evaluation, are means to **BUY TIME to rehabilitate our economy** to the status quo ante the Covid 19 crisis. There are no textbook solutions and what the Government is embarking is essentially “work in progress” to devise an effective a plan for the Aftermath.

For the purposes of this 4th Segment of my article, I would urge the Government to focus on the financial sector to **“buy”** time to keep those in our economy healthy and **not killed by secondary infection because of bankruptcies and liquidations.**

Deaths by secondary infections are triggered by the subjective “classification” of what constitutes **NON-PERFORMING LOANS (NPLs)**. In a normal and vibrant economy where the growth trajectory is upwards, the benchmark for NPLs is when a loan is in default for three months. I stand to be corrected, that this classification is still being maintained save that borrowers can now defer instalment payment for six months. There is no need for me to enter into a discussion on the accounting acrobatics in the treatment of such loans.

During the 1997/1998 financial crisis, the three months NPL trigger resulted in massive bankruptcies and liquidations. And the threshold was very low i.e. if a debt is RM30,000 or more, a debtor can be bankrupted. By the time the NPL classification was extended to six months and the threshold was raised to RM250,000 or more, it was too late. Borrowers were massacred! A foreign global bank had so many debtors, that it created a special software (standardised pleadings, letters etc.) for Panel Lawyers to purchase as a pre-condition to be engaged and paid handsomely to recover the debts!

I would suggest a simple solution for everyone involved to buy time for our economy. **NPL will only be classified as such when a loan is in default for a year or more. Period!**

Why?

Firstly, the balance sheet of the banks will not turn ugly as the loans are still treated as “assets”. There will be no panic within the banking system and Bank Negara and Treasury will not be swamped with rescue efforts. And since the borrower needs time to focus on reviving the business, there is more time for both the creditor and borrower to enter into a more constructive restructuring scheme, absent the parasitic lawyers and liquidators smelling the blood of massive well paid litigation and receiverships. When there are massive NPLs, Bank Negara may be compelled to raise the Reserve Requirements. A painful vicious cycle.

Secondly, the lowering of interest rates per se would not be the magic pill to jump-start the economy by “cheap borrowing”. Presently, the world is flooded by US\$ 13 Trillion worth of bonds with zero rate interest. There is hardly any surge in global investments. And whatever monies derived from such borrowings ended in high risks investments. This is not what we aspire to.

The bank may not even extend credit to a “recovering” or “rehabilitating” borrower as the borrower would be devoid of good collaterals which have already been pledged to the banks for earlier credit facilities prior to the Covid 19 crisis.

Thirdly, the solution is within the parameters of the existing financial ecosystem in time of crisis. In past crisis, when the banks’ shirts hit the ceiling fan, Bank Negara and Treasury come charging in to bail out the banks and assumed the liability of the NPLs in one way or another (i.e. through whatever dedicated corporate vehicles e.g. Danaharta etc). In short, Bank Negara “backstopped the banks” and was the proverbial “Lender of Last Resort”. If this is the endgame to save the financial system **WHEN IT TURNS UGLY**, I am advising the Powers That Be, that there is no need to let things turn ugly when simple solution can be instituted to avoid the ugliness and provide a better opportunity for all to survive and turn round the economy.

Therefore, and since Bank Negara as a central bank is the “Lender of Last Resort” and with a low interest rate regime already in place (hopefully not more than net 3%) to assist cash strapped and recovering borrowers, banks should facilitate credit growth and provide liquidity to the right and proper players with Bank Negara “Back-Stopping” the banks who are providing such “recovery/emergency” credit facilities on pre-AGREED FLEXIBLE GUIDELINES. And in the worst case scenario, when loans turn sour, Bank Negara can purchase the NPLs from the banks which will maintain the short term liquidity levels. This was implemented during the Great Recession of 2008 by Western central banks and commercial banks.

I hope this advice will find favour. It is doable and cost effective.

There is already too much to digest from the above discussion and my fingers are failing me. So, I will proceed further in my next segment.

To be continued.