

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

By Matthias Chang – Future Fast-Forward

Part 2 (continuation)

Final Segment

Preamble

In Part 2(ii) posted to my website, www.futurefastforward.com I laid out in a Bullet Point Format what is required to be done by Malaysia to overcome the economic and financial consequences of the War Against Covid 19, using the indispensable analytical tool “Critical Path Analysis” which enables policy-makers etc to identify “Choke Points” and anticipate potential “Fatal Dislocations” along the critical path of recovery and growth.

A brilliant general in any war is one who can defeat an enemy without either firing a shot or with minimum casualties and in the shortest time.

In this my final segment, I will lay out in more detail, how we can recover quickly from the disastrous Covid 19 consequences.

I dare say it here and now, my advice and approach will guarantee a V CURVE recovery! And I dare debate with any economists, financial analysts, central bankers, commercial bankers, etc (trained in the global top ten universities or institutions) to prove me wrong.

Assuming the Government was only using conventional methods, I had forecasted a U Curve type of recovery within a time period of six to nine months to bring Malaysia back to the Status Quo ante Covid 19 as the first Step in my earlier analysis.

Since no one has stepped forward or dare to propose that Malaysia can have a V Curve recovery trajectory, I am now doing so in this article.

V Curve Recovery - How?

In the Critical Path Analysis Tool Box, Choke Points and Dislocations exist along the entire Critical Path before (war preparations) and after the war (plans for recovery). In summary, effective logistics management for victory.

In layman’s terms, we must have Plan B in place for “What If” situations. In financial jargon, we must have **BACK STOPS!**

Please Google for the meaning and the applications of this term in financial markets etc. First used in cricket in 1819 and used extensively in financial markets.

Let's get started.

- In any financial / economic crisis two issues will determine the positive or negative outcomes. I can guarantee this conclusion. Period!
- They are: **Liquidity and Choke Points.**
- Liquidity (including Credit facilities) means monies must continue to flow and access kept open. This is not rocket science. Recoveries 101. The cliché, No Money, No Talk applies!
- **All well laid plans will be screwed if there are no liquidity flows and are hampered by Choke Points.**
- In total there have been made available RM20 Billion announced by Tun M (of the moribund PH regime) and RM250 Billion+ announced by PM Muhyiddin and maybe more later, giving a current grand total of RM300 Billion worth of liquidity.
- Are we getting maximum bang for the humongous sum of monies? Can we do with less?
- **Yes, when there are no Choke Points and the monies are facilitated to flow in the proper channels and to the right target groups in accordance with Strict Time Lines on the entire Critical Path. QED!**
- Then, we can assure a shorter recovery period and achieve a V Curve recovery!
- **Therefore, we MUST ELIMINATE all bureaucratic CHOKE POINTS that will delay the flow or access to liquidity.**
- We must determine the most **EFFECTIVE CHANNEL** for liquidity that can be assessed by one and all, even the Mak Chik, Murugam and Ah Choy in the rural sectors and in the most distressed sectors of our economy.
- It is a no brainer to assert that **ALL BANKS and their national network of branch banking** etc must be the preferred channel and not government agencies.
- So, all government aid, subsidies, allocations targeted for the rakyat (in the broadest sense of the word i.e inclusive of entities) must utilise this indispensable network. Even if there are some Choke Points, they are less cumbersome and can be easily overcome.
- Now come the MOST CRITICAL FACTOR. WE ARE A SOVEREIGN NATION. Bank Negara is owned by the Government and not private interests and we have our own currency, the Ringgit. Bank Negara controls and regulates the commercial banks etc. It answers to the Ministry of Finance with certain

legislative autonomy. Therefore, Bank Negara can and must BACKSTOP (support and stand behind the “backs” of the banks) in ensuring the flow and access to liquidity and credit facilities. Read again my Bullet Points in Part 2(ii) article in my website for more details.

- Bank Negara is not just the Lender of Last resort to the banks, but to the entire nation. Low interest rate policy/regime does not in itself ensures borrowings if and when banks are behaving like arseholes demanding scarce collateral which in most cases would have been pledged for earlier credit facilities before Covid 19. New credit facilities must be made available to ensure that the monies are flowing to sustain the economic machinery running at optimum speed and efficiency.
- **Since, the government is the provider of the RM300 Billion rescue package, Bank Negara can and must “BackStop” the banks because the relationship in this scenario between BN and the government is a “BACK-TO-BACK” RELATIONSHIP. Nothing is more powerful and secure then this rock-solid relationship. Trust and confidence par excellence!**
- **In conclusion: Once the monies start flowing via direct payments to the rakyat via the banking network and new credit facilities are available, our entire country is Open for Business, existing jobs are secure and sustainable, new investments will come on board giving rise to new employment opportunities. More importantly CONFIDENCE AND TRUST IS RESTORED. QED!**

MY MESSAGE TO ALL OF YOU. PLEASE ENSURE THAT THIS SOLUTION GETS THROUGH TO ALL THE POWERS THAT BE. YOUR LIFE AND THAT OF YOUR BUSINESS AND LOYAL EMPLOYEES DEPEND ON IT.

BLESSINGS.

MATTHIAS