



Pacific Basin Economic Council

The Independent Voice of Responsible Business and Trade across Asia and the Pacific

Full Transcript of Opening remarks from PBEC Executive Director and CEO Michael Walsh – Immediate release: 15th Oct 2024

Good morning, esteemed guests, ladies and gentlemen, His Excellency Tun Dato' Seri Abdul Razak, Governor of Penang, and The Rt Hon Lord Jonathan Marland, Chairman of the Commonwealth Enterprise and Investment Council and Chairman of the World Digital Chamber. I'm honored to welcome you all on behalf of the Pacific Basin Economic Council (PBEC) and wish to extend my special thanks to Tan Sri Michael Yeoh and the KSI Team and our fellow supporting organisations for hosting the Asia New Economy Summit. Apologies for not being there with you in person but I have visited Malaysia twice in 2023 and 2024 and hoping to visit once again in early 2025 including Penang and Johor.

The PBEC has supported this important gathering for many years as it serves as a platform for dialogue by convening prominent business leaders, politicians, academics, NGO's and Think Tanks from across Asia Pacific to listen and learn from one another.

In recent years, Malaysia's approach to FTAs has seen significant developments, reflecting its commitment to economic diversification and resilience. Malaysia's FTA strategy 2025+ will focus on emerging sectors such as digital trade, green technologies, and services. The government's emphasis on its digital transformation and sustainable development aligns with global economic trends, positioning Malaysia as a competitive player in future industries.

As many of you are aware the PBEC works closely with the APEC and ABAC multilateral organizations and their annual agendas and this year the APEC Chair economy has been Peru. Next month, leaders will gather in Lima in the hope to reach consensus on economic matters of importance for the APAC region.

The theme of APEC 2024 in Lima, Peru is "Empower. Include. Grow." This theme emphasizes inclusive and sustainable economic growth, focusing on three main priorities: trade and investment for inclusive growth, innovation and digitalization to support the transition to a formal economy, and sustainable development for resilient growth.

A significant focus of APEC 2024 will be on empowering informal economic actors, particularly through innovation and digitalization. This is a new initiative aimed at helping those in the informal sector transition to the formal economy, which is crucial for enhancing economic resilience and inclusivity across member economies, which the Malaysia Government is also prioritizing as a national leveling up strategy.

The PBEC also advocates strongly for good governance which is also vitally for economic health, with an increasing focus on ethical practices and fair wages. The Malaysian government itself has announced a recent 13% pay rise for civil servants starting from December 2024, reflecting its commitment to social welfare and increased transparency.

Looking ahead, Malaysia is already and will continue to play an increasing vital role in global supply chains strategy for MNC's and corporations in APAC and some of the top sectors for supply chain development from 2025 to 2030 have been identified by PBEC members as follows:

Manufacturing: Emphasizing automation and advanced technologies, particularly in electronics and automotive and the energy transition where states like Penang and Johor and East Malaysia are playing their important part.

Agriculture: Focusing on sustainable practices and improved logistics to enhance productivity. It can also play a role in providing the high demand feedstocks required to help along the road to cleaner energy availability especially in reducing transportation and back-up generator emissions.

E-commerce and Logistics: Developing logistics solutions to support the booming e-commerce sector. We are seeing the advantages and importance of Malaysia's geographical location within ASEAN and its close proximity to the international financial center of Singapore especially given its many natural resources, English speaking workforce and a growing emphasis by this administration to invest in new infrastructure development to cater to DFI latest needs of investors.

These sectors present significant opportunities for Malaysian businesses to participate in and enhance supply chains and economic resilience both nationally and within the ASEAN bloc.

In conclusion the PBEC still predicts periods of uncertainty, volatility and market fluctuations in the next two quarters as investors respond to data releases on growth and still grappling with the after effects of prolonged high inflation which have led to sustained higher global consumer prices, the US elections, and geopolitical developments.

We look forward to your engaging discussions at this summit as we explore these critical questions, opportunities and challenges together. Thank you.