



KEY POINTS

**YB DATO' SRI MUSTAPA MOHAMED
MINISTER OF INTERNATIONAL TRADE AND INDUSTRY
AT ASEAN-INDIA BIZTECH EXPO AND CONFERENCE 2017
24 MAY 2017, KUALA LUMPUR CONVENTION CENTRE (KLCC), MALAYSIA**

Current developments in India

- Real GDP growth will average 7.5% a year from 2017/18 to 2021/22. India's economic expansion will be supported by an expanding formal economy and public infrastructure spending.
- Slowdown in growth as a result of disruptions to consumption and business activity from the recent withdrawal of high-denomination banknotes from circulation is expected to be temporary.
- IMF projects India to remain one of the fastest growing emerging market economies.
- Maintaining the reform momentum will lead to stronger growth. The upcoming implementation of the GST, which has been in the making for over a decade, is expected to raise India's medium-term growth to beyond 8%, as it will make production and movement of goods and services across Indian states more efficient.

Economic Times' Asian Business Leaders Conclave (15 December 2016, Mandarin Oriental)

- Both PM Najib Razak and PM Narendra Modi spoke at the event (the latter via video conference). It was the first time such event was held by Economic Times outside of India.



- Attended by Indian business delegations from infrastructure, healthcare, hospitality and financial services sector. Strong testament of growing ties between Malaysia and India.

Trade and Investment Mission to India 2017 (29 March-3 April 2017)

- The mission was led by PM Najib Razak. One of the key outcomes of the visit was the 31 B2B MOUs exchanged by Malaysian and Indian companies, amounting to USD36 billion.
- These MOUs are related to port construction, highways construction, solar power plant, development of smart city & technology Park, regasification terminal project, coconut & palm oil development, and higher learning education. Significant MoUs include:
 - i. Integrated maritime city on Carey Island Port Project between MMC Port Holdings Sdn. Bhd., Sime Darby Property Berhad and Adani Ports and Special Economic Zone Limited, worth USD22.8 billion for a 30-year period; and
 - ii. Carey Island Port Project between MMC and Adani worth USD9.4 billion.
- The Malaysia-India CEO Forum was re-constituted with the 7th meeting held on 31 March 2017 in New Delhi. It was the most productive the Forum has had so far -infrastructure, healthcare, education and SMEs were identified as key areas for further cooperation
- Both PM Najib Razak and PM Narendra Modi expressed their aspiration to see the bilateral trade increase to USD15 billion in the next two to three years. Malaysia and India have enjoyed strong bilateral ties for 60 years and we will continue to forge ahead.



The potentials of ASEAN

- ASEAN today is more connected than ever. AEC Blueprint 2025 outlines measures that will be undertaken by ASEAN in the next 10 years as part of our efforts to broaden and deepen economic integration, with a shared vision of creating a truly economically integrated region.
- ASEAN recorded annual GDP growth between 4.6% and 7.6% from 2010 to 2016. The GDP growth for 2017 is expected to be 4.8%, which is much better than the growth forecast for many countries.
- Investments into ASEAN at an all-time high. FDI inflow into ASEAN achieved double-digit growth of 11.5% CAGR over the last decade (2005 to 2015).
- Research houses have expressed confidence that ASEAN could potentially be the fourth largest single market in the world by 2030 (after the EU, US, and China).

ASEAN-India partnership

- ASEAN also acknowledges contribution and the role played by ASEAN Dialogue Partners, including India, in developing and sustaining the growth in ASEAN. Continuous work is undertaken to enhance and facilitate trade and investment ties through the ASEAN-India FTA.
- India is ASEAN's 6th largest trading partner with total trade averaging at USD67 billion over the last 4 years. Both public and private sectors from both sides to explore ways to further enhance the trade between ASEAN and India.
- On the investment front, FDI from India to ASEAN stood at USD4 billion over the period 2013-2015.
- At the recent RCE Ministerial Meeting in Hanoi, we agreed to provide flexibilities to bridge the gaps due to the different levels of ambition based the



economic development of participating countries, in the hope for a timely conclusion of ASEAN. The conclusion and implementation of RCEP, currently the only mega FTA being negotiated, will be a boost to growth momentum in the region.

Investment in technology is the way forward

- Innovation is the new name of the game against the backdrop of fast-changing landscape. The BIZTECH Expo is timely as investment in technology can bring a host of advantages as the benefits of electronics in the workplace have even become available to small businesses.
- AIBC must assume a more proactive role in promoting greater interactions between the business communities in ASEAN and India, especially as we seek to boost ASEAN-India trade to reach US\$100 billion over the next three years.
- There are numerous opportunities offered by ASEAN to Indian investors. In Malaysia alone, there are many flagship projects being developed including the Bandar Malaysia. I would like to invite Indian investors to be part of this exciting development phase in Malaysia.

Conclusion

- Many people are looking at China as the next economic powerhouse, but in Malaysia and ASEAN at large, we continue to observe the rise of India.
- Bold economic reforms, sustainable urbanization, and continuous infrastructure development could pave the way forward for a brighter economic future of India, and ASEAN looks forward to be part of India's transformative journey.



MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY

- Rabind Ranath Tagore, the celebrated Indian poet, Nobel laureate once said: “You cannot cross the sea merely by standing and staring at the water.”
- For centuries, our peoples have traveled the Indian Ocean to seek hope and prosperity in each other’s lands. Let us take heed of Tagore and continue to explore the many possibilities and share the many opportunities that are clearly before us.

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