



**MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY**

SPECIAL ADDRESS BY

YB SENATOR TENGKU DATUK SERI UTAMA ZAFRUL AZIZ

MINISTER OF INVESTMENT, TRADE AND INDUSTRY

FOR THE GRAND LAUNCH OF

MATRADE DIGITAL TRADE PLATFORM

13 JUNE 2023 (TUESDAY)

**MALAYSIA INTERNATIONAL TRADE AND EXHIBITION CENTRE
(MITEC)**

YB Liew Chin Tong

Deputy Minister of Investment, Trade and Industry (MITI)

YBhg. Dato' Sri Reezal Merican Naina Merican

Chairman of MATRADE

YBhg. Datuk Mohd Mustafa Abdul Aziz

CEO of MATRADE

YBhg. Dato' Seri Ivan Teh

CEO of Fusionex Group

Members of the MATRADE Senior Management,

Representatives from Ministries and Agencies

Members of the media,

Distinguished guests,

Ladies and gentlemen,

Assalamualaikum warahmatullahi wabarakatuh. Salam sejahtera and salam
Malaysia Madani.

1. First off, I would like to extend my heartfelt appreciation to MATRADE and Fusionex for inviting me to witness the grand launch of the MATRADE Digital Trade Platform or MDTP. Secondly, in response to a point Ivan made about tech advancements, AI, the metaverse etc, I can assure you this speech was not generated by ChatGPT!
2. I applaud the strategic partnership between MATRADE and Fusionex, as it is an exemplary showcase of public-private partnership on creating new opportunities for our local enterprises and enhancing our nation's potential in international trade.
3. As we know, the value of Malaysia's total trade for 2022 was RM2.85 trillion, with a trade surplus of RM255.48 billion. **Our total trade surpassed the RM2-trillion mark for the second year running.** In March/April this year, **Malaysia attracted RM170 billion of potential FDI from China and identified RM2.44 billion in potential exports to China.** Recently, we also attracted **RM24 billion from Japanese investors, and a further RM2.1 billion of potential exports to Japan.**
4. And just this morning, **Texas Instruments** announced their plans to expand their manufacturing in Malaysia with **two new assembly and test factories** in KL and Melaka, with potential investments of up to **RM14.6 billion.**
5. Our nation is also a key player in the **global Halal market**, with **total export value of RM59.46 billion in 2022, an increase of 63.8%** year-

on-year. All these achievements reflect **Malaysia's conducive enabling environment for investors and international traders.**

6. Note, however, that even from the beginning of this year, I had talked of **challenges to this year's trade growth.** After growing at 2.7% in 2022, the WTO has projected that **world merchandise trade volume is projected to grow only 1.7% in 2023** before picking up to 3.2% in 2024. The **downside risks** this year include geopolitical tensions, food insecurity, potential financial instability stemming from monetary policy tightening, and increasing levels of debt.
7. As a policy maker, **MITI is highly aware of the risks to trade growth,** because both trade and investment are important components of our GDP growth. **One key way to manage those risks for the longer term is by ensuring that we keep attracting the right quality investments and keep producing the right products for exports.**

Ladies and Gentlemen,

8. Regarding producing the right Malaysian products for exports, allow me to briefly talk about **economic complexity,** and why this is **crucial to ensure the sustainability of Malaysia's future economic growth.**
9. In a nutshell, **a country's economic and industrial products' complexity are important as predictors of our nation's future growth because they reflect the level of our knowledge development and accumulation.**

10. Take, for example, **Malaysia's top 5 exports in 2022**: in order of value, they are **E&E products** (RM593.5 billion/ 38.3%); **petroleum products** (RM163 billion/ 10.5%); **palm oil** (RM96.5 billion/ 6.2%); **chemicals** (RM80.6 billion/ 5.2%) and **LNG** (RM67.99 billion/ 4.4%).
11. Only **E&E products and chemicals can be considered products with a higher complexity**. The lower the ranking on the complexity scale, the less manufacturing is required to produce the product. So, if production complexity determines our future growth, **how do we ensure our future exports are made up of more products with a higher complexity?**
12. To that end, I would like to share that **one of the key focus areas of the New Industrial Master Plan 2030 (NIMP2030)** that MITI is launching in August, is to **advance the nation's economic complexity, which can also be achieved by enhancing the complexity of our products meant for exports**.
13. This objective is very much in line with the New Investment Policy (NIP) that has clearly identified **5 sectors that could help enhance** our future exports of more complex products and hence, our **economic complexity**. These are **aerospace, chemicals/ petrochemicals, digital economy, E&E (including medical devices) and pharmaceuticals**.

14. Following on from that, **one key focus area** that NIMP2030 Task Force is seriously looking at is for us to **achieve higher economic complexity is by making Malaysia a digitally vibrant nation**. This includes helping our industries 'tech up' by **accelerating tech adoption; spurring the next generation of tech innovation companies such as Fusionex; and developing business opportunities by leveraging new data source**.

15. Particularly for SMEs and medium-sized companies, **a key outcome of tech-ing up is increased productivity**. And while MITI, through the NIMP2030, is enhancing the enabling environment to enhance SMEs' productivity, I am happy to note that **various initiatives are already being executed by MITI's agencies such as MATRADE and MIDA to tech-enable our businesses and exporters**.

Ladies and Gentlemen,

MDTP: A TECH & DATA-DRIVEN INITIATIVE TO POWER UP TRADE

16. International trade has been and continues to be the lifeblood of our nation and a major component of Malaysia's GDP growth. As such, I was rather excited when I read about the **MATRADE Digital Trade Platform (or MDTP)**, that was soft-launched last year.

17. MDTP was developed in collaboration with Fusionex, a data technology provider specializing in Analytics, Big Data, Machine Learning and AI.

18. **Data is, indeed, the new oil, and in a world brimming with structured and unstructured data, MDTP has been conceptualised to help bridge the gap between technology, data and businesses, including SMEs, to facilitate the growth of trade.**

19. I was informed that MDTP not only expands Malaysian businesses' market reach and connects them to global buyers, but they are also poised to prosper in the digital economy by:
 - a. **Firstly, benefiting from a combination of MATRADE's expertise, knowledge, resources, global networks and Fusionex's leading-edge technologies,** intelligent tools and technical expertise all in a single platform.

 - b. **Secondly, by utilising a B2B e-commerce-enablement system that offers a suite of innovative solutions** such as the MATRADE Virtual Engagement platform, MATRADE Marketplace, Marketplace Aggregator and link to the Fusionex Digital Trade Hub.

 - c. **Thirdly, by having first-hand access to the latest market insights and trends, powered by AI and the latest technologies** to capitalise on collaborative opportunities for boosting export revenue growth globally, and

 - d. **Fourth, by having access to a centralised, data-driven platform for connecting with potential buyers; exporting**

goods and services; showcasing offerings during virtual or hybrid events; and simplifying complex trade procedures.

20. A series of handholding and training programs will help local businesses, even SMEs, kick start or accelerate their global trade journey.
21. **With data and insights, plus a comprehensive range of digital solutions and services, there is less guesswork and a lot more certainty to help businesses prepare for their next steps, making them better equipped to propel themselves onto the global stage or keep improving their global export endeavours.**
22. In short, this platform is not only a digitalisation enabler to benefit businesses and exporters, but it also represents **a new chapter in Malaysia's trade promotion efforts, powered by AI and technology to help strengthen Malaysia's position as a global trading nation.**

Ladies and gentlemen,

MDTP'S ROLE IN NURTURING ENTREPRENEURSHIP AND EMPOWERING SMEs

23. Yesterday, at the launch of a few financing products for SMEs, I had emphasised **the paramount importance of focusing on our fundamentals to unlock Malaysia's true potential as an ASEAN**

economic powerhouse, and a strong trading nation with a well-developed middle class.

- 24. The link to me, is very, very clear: it is imperative that we create an enabling environment that attracts and supports the right kind of investments, which fosters our industrial development to manufacture products with a higher complexity score, which in turn facilitates a higher export revenue due to the increased complexity of our exports and economy.**

- 25. It is only when we have created a virtuous cycle between those three key elements of our economy that we can really claim ourselves to be pro-industry, pro-investment and pro-trade. And it is only then that we can create **higher-skilled, higher-paying jobs** for our SMEs and our rakyat.**

- 26. I therefore, look forward to seeing how MDTP can **empower the SMEs in the export space to help us achieve that broad-based, inclusive growth in Malaysia.****

Ladies and Gentlemen,

- 27. MITI would like to urge Malaysian businesses, particularly SMEs, to fully utilise the various Government facilities in the business ecosystem. These comprise not only of financing facilities, such as EXIM Bank's GO-EXPORT Programme, but also grants such as Bank**

Negara's RM1-billion allocation to incentivise SMEs on process automation and operational digitalisation.

28. The way I see it, **what is equally important are platforms such as MATRADE's MDTP which provide a golden opportunity for businesses, particularly SMEs to leverage on for global growth.** Come on board and take full advantage of all the benefits MDTP offers to begin your first step of potentially becoming a global champion.

29. I understand that MDTP has already onboarded **international players** from countries such as **China, the US, the UK, Saudi Arabia, India, the UAE** as well as players from **every ASEAN country**. That is a laudable achievement and I look forward to seeing even more encouraging achievements by MATRADE and Fusionex through MDTP, with a target of **connecting 50,000 businesses within the next 10 years.**

Ladies and Gentlemen,

CONCLUSION

30. Before I end, I would like to take this opportunity to once again congratulate MATRADE, and Fusionex Group, for their vision, dedication, commitment and leadership in bringing the MATRADE Digital Trade Platform to fruition.

31. Thank you for helping Malaysia redefine its international trade journey and I wish you all the very best of success!

Wabillahitaufik walhidayah, wassalamualaikum warahmatullahi wabarakatuh.