

KEYNOTE ADDRESS BY

YB SENATOR

**TENGGU DATUK SERI UTAMA ZAFRUL TENGGU ABDUL
AZIZ**

**MINISTER OF INVESTMENT, TRADE AND INDUSTRY,
MALAYSIA**

AT THE MALAYSIA-JAPAN ECONOMIC DIALOGUE 2023

25 OCTOBER 2023 (WEDNESDAY)

TIME: 10.10AM-10.20AM

**GRAND BALLROOM, LEVEL 2
INTERCONTINENTAL HOTEL KUALA LUMPUR**

His Excellency Takahashi Katsuhiko,
Ambassador of Japan to Malaysia

Mr. Ken Kobayashi,
Chairman of the Japan Chamber of Commerce and Industry (JCCI)

YBhg. Tan Sri Dato' Soh Thian Lai,
President of the Federation of Malaysian Manufacturers (FMM)

Delegates from JCCI and Nikkei Inc.

CEOs and Captains of Industries,

Distinguished Guests,

Assalamualaikum w.b.t., and Salam Malaysia Madani.

1. First and foremost, I would like to warmly welcome each one of you here today at the Malaysia-Japan Economic Dialogue. I would like to express my gratitude to the Federation of Malaysian Manufacturers (FMM), Japan Chamber of Commerce and Industry (JCCI) and Nikkei Inc. for organising such an important event today and I hope it will provide an opportunity for both sides to cross-pollinate ideas, and forward our joint aspirations in strengthening the economic cooperation between our two countries.
2. The 1980s laid the foundation for Malaysia, a country which has progressively transformed its economy from agriculture

and commodity based into industrialisation and export-oriented. Steadfast in its pursuit towards becoming a high-income nation, Malaysia pivoted towards emulating the best practices from the East Asian countries namely Japan and the Republic of Korea through the Look East Policy (LEP).

3. Introduced in 1982, the LEP aimed at promoting the adoption of the Japanese work ethics, sharing of knowledge through technology transfer as well as improving productivity through organisational management systems. Over time, the LEP has been successful in solidifying cooperation in various sectors, notably in economic, education, culture and tourism which prompted for the shift of focus towards trade and investment under the Second Wave of the LEP in 2013.

Ladies and gentlemen,

4. Malaysia truly values the close and robust economic linkages with Japan, which has been one of Malaysia's important economic partners for the last couple of decades. In fact, Japan has been Malaysia's fourth largest trading partner for eight successive years since 2015 and in 2022 trade with Japan made up 6.4% of Malaysia's total trade at USD41.26 billion (RM181.73 billion) amidst the backdrop of a challenging global environment.
5. In terms of investment, Japan is also one of the main sources of foreign direct investment (FDI) for Malaysia. As of June 2023, a total of 2,778 projects were implemented, with investments amounting to USD27.25 billion (RM91.89 billion),

creating a total of 337,758 job opportunities. It is encouraging to note the continuous appetite from Japanese investors towards Malaysia as we continue to welcome more and more FDIs from Japan. I am happy to share that during my Trade and Investment Mission to Japan in May this year, Malaysia successfully secured investment commitment amounting to RM23.07 billion from Japanese companies.

6. The increase in FDI is a testament of the growing confidence by Japanese investors in Malaysia's economic progress as well as its potential. Hence, it is important for Malaysia to maintain a conducive investment environment that will be able to attract more FDI into the country.

Ladies and gentlemen,

7. The New Industrial Master Plan or NIMP 2030, which was launched recently is a key component of the MADANI Economy framework, aimed at revitalising the manufacturing sector by taking on a different approach to industrial development.
8. With four key missions focusing on nurturing higher economic complexity and aggressively embracing technology, underscored by sustainability and inclusivity principles, the NIMP 2030 is critical in ensuring resiliency in a rapidly changing landscape.
9. The NIMP 2030 is also envisioned to position Malaysia as a preferred investment destination with the right ecosystem in

place to support high-technology and high value-added manufacturing activities and build the capacity of our own home-grown SMEs and integrate them into the global value chains. To ensure that the whole of nation approach takes root, I strongly emphasise the important role of the private sector, particularly in realising the targets of the NIMP 2030.

10. The NIMP 2030 aims to transform 3,000 factories into smart factories which will in turn nudge the industry to tech up, create high-skilled jobs as well as build supply chain resilience. As the frontier of manufacturing industry in Malaysia, FMM has been tasked by MITI to work towards realising this through concerted efforts from both the public and private sector.

Ladies and gentlemen,

11. Malaysia's commitment to sustainability is clear. Along with 192 other countries, Malaysia adopted the 2030 Agenda for Sustainable Development Goals (SDGs) in 2015, which was a significant step toward fostering a more sustainable, equitable, and resilient future. As a signatory to the 2015 Paris Agreement, Malaysia has committed to reducing greenhouse gases by 45% in 2030 and becoming carbon neutral (net zero emission) by 2050. These targets are clearly encapsulated in Malaysia's Twelfth Malaysia Plan (12MP) mid-term review and the MADANI Economy Framework.
12. To this end, MITI has conducted various outreach and awareness programmes called "Kenal ESG" in Kuala Lumpur

(involving 200 companies), Penang (190 companies) and Johor (130 companies) to introduce the National Environmental, Social and Governance Industry or i-ESG Framework. We also plan to conduct similar sessions in Sarawak, Kelantan, Terengganu and Pahang in 2023, while other states will be covered in the first quarter of 2024.

13. MITI will continue to play its part in helping industries and MSMEs adopt ESG principles to achieve these SDG targets. Likewise, I hope to see more collaboration between Malaysia and Japan in this sphere. As we embark on this journey together, we are, in fact, paving the way for a more responsible and prosperous future for our industries.
14. I understand that FMM has also proposed for Malaysia to have bilateral partnership agreement with Japan for the Joint Crediting Mechanism (JCM) initiative. Rest assured that MITI is working closely with the Ministry of Natural Resources, Environment and Climate Change who is leading this initiative and we welcome Japan's interest to continue its engagement.

Ladies and gentlemen,

15. I hold the firm belief that ongoing collaboration with our esteemed Japanese private sectors partners will lead to a more robust trade and investment relationship between our two nations. It is with great honour and privilege that I preside over the Malaysia-Japan Economic Dialogue today, a pivotal platform for nurturing this collaboration and exploring new

prospects for cooperation. Through this dialogue, we can effectively address challenges, identify shared interests, formulate strategies in strategic areas to propel bilateral trade and investment.

16. By leveraging our existing economic ties, we can drive economic growth, facilitate technology transfer, expand market access, diversify our trade sectors, and bolster our relations further. I believe collaboration with our Japanese partners would continue to create a stronger relationship from the perspective of trade and investment. On this note, it is with great honour and privilege that I officiate the Malaysia – Japan Economic Dialogue today.

Thank you.