

KEYNOTE ADDRESS FOR YB DEPUTY MINISTER OF MITI

WEBINAR

**“MALAYSIA-UKRAINE: NEW MARKETS NEW OPPORTUNITIES
(POST COVID-19)”**

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Distinguished guests, ladies and gentlemen

1. Good afternoon to fellow Malaysians and good morning to our friends in Ukraine. First and foremost, allow me to express my appreciation to both organisers, MATRADE and the Ministry of Foreign Affairs, Ukraine for inviting me to address this webinar. On behalf of the Ministry of International Trade & Industry, it is my pleasure to warmly welcome all of you to today's session, which is part of our governments' collective effort to connect, engage, drive and revive businesses at critical inflection points of this unprecedented crisis. This opportunity to connect and engage is particularly significant in view of the travel restrictions imposed globally, on account of the COVID-19 pandemic. I therefore applaud the initiative of both organisers to keep the momentum going between our two countries via this webinar.
2. The outbreak earlier this year has severely affected global economy. Industries have been brought to a grinding halt, supply chains were disrupted and unemployment spiked in every part of the world. While there are signs of improvement as economic activities rebounded following the easing of lockdown measures and initial reopening of businesses in many countries including Malaysia, enterprises are to face the new economic reality and have to adapt to new normal practices in ensuring the survivability and sustainability of their businesses. This webinar is timely as panelists will share insights on current business environment in Malaysia as well as in Ukraine, highlighting challenges and opportunities resulting from the COVID-19 pandemic.

Ladies and Gentlemen,

3. I wish to highlight that in dealing with the COVID-19 pandemic, the Government of Malaysia is guided by the imperative of balancing the protection of lives and the securing of livelihoods. The imposition of the Movement Control Order in March 2020 had managed to bring the pandemic under control in Malaysia. Nevertheless, this came at the expense of our businesses and industries. Thus, in realising the importance of restoring the supply chains, and keeping the market open to trade and investment, we eased the restrictions and allowed for a large part of our businesses and industries to operate at full capacity from May 2020.
4. At the same time, Malaysia took firm, decisive and swift action to introduce a series of economic stimulus packages, first to mitigate the adverse economic impact of the lockdown, and subsequently to reinvigorate economic activities of the country and facilitate the recovery of businesses. To date, the stimulus packages announced by the Government worth a total of USD73.5 billion have been put in place to counter the repercussions from this pandemic on various segments of the community, encompassing individuals, families, Micro, Small and Medium Enterprises (MSMEs), informal sectors and businesses.
5. We expect that these measures would have positive impact on the nation's economic growth with an expected contribution of 3.7 to 4.0 per cent to the GDP this year. According to our Central Bank, the Malaysian economy is forecasted to grow within -3.5 to -5.5 per cent

in 2020, before staging a rebound within a growth range of 5.5 to 8 per cent in 2021. On this note, I would like to assure all of you these measures are introduced by keeping the interest of businesses in mind and the Government is taking all the necessary means to provide support to businesses, to weather these challenges.

6. 'In the midst of every crisis, lies a great opportunity'. This quote by Albert Einstein aptly describes Malaysia's going forward, in spurring businesses and economic recovery, via market diversification as one of our approaches at international front. Therefore, we are exploring Ukraine hoping to build partnerships and relationships to deepen our trade ties.

Ladies and Gentlemen,

7. Diplomatic relations between Malaysia and Ukraine was established way back in 1991 to facilitate economic, trade and cultural relations between the two countries. Our bilateral relations was raised to a new level of cooperation with the establishment of Embassy of Malaysia in Kiev in September 2004. Over the years, trade between both countries grew progressively. In 1993, total trade with Ukraine were merely RM104.9 million. Within a period span of 27 years, the value grew by 1,335.1% to RM1.51 billion in 2019. The healthy growth is a positive reflection of confidence in business between the two economies.
8. Last year, Ukraine was Malaysia's 58th largest trading partner, 66th largest export destination and 45th largest import source. Within the

Eastern Europe region, Ukraine remained Malaysia's 2nd largest trading partner after Russia. Malaysia is a net importer, whereby our import from Ukraine was valued at RM1.01 billion while exports to Ukraine was RM492.2 million. Slightly more than half of the imported products (53.1% share) from Ukraine were vegetable oils and agricultural produce, while Malaysia's major exports to Ukraine were palm oil & palm oil based agriculture products, electrical & electronics as well as rubber products. These three industry segments accounted for 53.3% share of Malaysia's total exports to Ukraine in 2019.

9. I am pleased to note that trade between our two countries continues to prosper even during the COVID-19 pandemic. Malaysia's exports to Ukraine increased 11.8% to RM371.3 million while import from Ukraine grew 11.1% to RM665.1 million within the first eight months of this year. Total trade with Ukraine amounted to RM1.04 billion, an increase of 11.4% from the corresponding period last year.

10. The world acknowledges the strength of Ukraine as "the breadbasket of Europe" and as one of the global agriculture powerhouse, there are areas which Malaysia can complement these segment, especially on industrial support and value add from the electrical & electronics and machinery sector. Well-known for our strength in outsourced semiconductor assembly and test (OSAT) and indigenous capability in machine fabrication with engineering support services, Malaysian companies are in the best position to offer a wide range of solutions for the industry ecosystem in Ukraine. In addition to manufactured exports, Malaysian companies also have expertise in design &

development, facility management, repair & maintenance services for construction, energy and aviation industries. For the ICT industry, we are proud to acknowledge Malaysia's strength in the banking, financial services & insurance (BFSI) as well as e-government solutions; and taking that into consideration, I strongly encourage Ukrainian companies to work with Malaysian partners for projects in these industry segments. Malaysia's strategic location at the heart of ASEAN also bodes well for Ukrainian enterprises to expand their businesses into the surrounding markets. As a gateway hub, Ukrainian companies will be able to outreach to more than 600 million population within ASEAN. On the same note, I invite Ukrainian companies to invest in Malaysia, utilising the facility here as launch pad into the neighbouring countries.

Ladies and Gentlemen,

11. 2020 is a challenging year for global businesses. With a fluid economic landscape and market uncertainty due to COVID-19, doing business is no longer the same. The imposition of lockdowns has sped up our shift to online transactions and dealings. The fact that COVID-19 has jolted us to the reality of how crucial and pervasive digitalisation is, the more reason as to why we need it more than ever to future-proof our operation. Similarly, by having diverse trade relationships with many business partners can be beneficial in rough times like this. Taking Ukraine as an example; despite this pandemic, our exports to Ukraine still registered positive growth. Similarly, imports from Ukraine during this trying time also grew. This shows that there are vast market

opportunities in our two countries for Malaysia and Ukraine businesses to explore.

12. In terms of business strategy remodeling, I urge industry players to be more flexible, innovative and accustomed to transformation. Companies must be able to adapt and adopt to situational changes in maintaining their relevancy in market. In this regard, I assure you that the Malaysian Government is committed to support businesses to remain competitive and resilient through policies and measures introduced along the road to economic recovery. MITI, through its trade promotion agency, MATRADE will continue to connect the dots, unlocking new opportunities for business communities in our two countries. Working hand-in-hand together with the Malaysian Embassy in Ukraine, MATRADE Kiev will be your point of contact for business.
13. In closing, I hope this webinar will provide a conducive platform for experience sharing and the knowledge gain is hoped to further enhance bilateral business cooperation between Malaysia and Ukraine. The strong trade relationship forged over the years signifies close ties and interdependence of both countries and thus, it's crucial that this bilateral relation be further enhanced. Indeed, the Malaysia-Ukraine Joint Trade Committee provides the right platform for discussions on bilateral cooperation and to facilitate cross-border businesses between our countries including in the areas of palm oil, E&E and ICT; more so in garnering the opportunities arising from the pandemic.

14. Once again, I would like to laud MATRADE and the Ministry of Foreign Affairs, Ukraine in taking the initiative to organise this webinar. I wish you all a fruitful business discussion.

Thank you.