



**SPEECH FOR  
YB DATUK LIM BAN HONG  
DEPUTY MINISTER OF INTERNATIONAL TRADE AND INDUSTRY  
MALAYSIA**

**Special Remarks  
China-ASEAN in RCEP Implementation:  
Are Businesses Ready for RCEP?**

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Distinguished Guests

Ladies and Gentlemen

Good morning and *Salam Sejahtera*.

大家早上好!

1. It has been two years since we have had a physical event of this scale due to the pandemic and I am glad we are moving closer to an endemic phase. And when the China ASEAN Business Association (CABA) invited me to speak, I accepted it wholeheartedly.



## **Malaysia Must Seize RCEP Opportunities**

2. Most importantly today 18 March 2022, marks an important milestone as RCEP comes into effect for Malaysia, paving the way for our business community to reap the full benefits of this mega regional free trade agreement.
3. At its core, RCEP is an amalgamation of ASEAN's existing FTAs, creating a comprehensive partnership fit for the 21<sup>st</sup>-century economy. As the single largest FTA in the world, covering almost 30% of the world's GDP and one-third of the world's population of 2.3 billion people, RCEP will immensely open a new window of opportunities for trade and investments, fortifying connectivity and deepening regional economic integration, that will further accelerate the region's economic recovery.
4. In addition to its magnitude of tariff reductions, RCEP addresses liberalisation, investment and services as well as developing an e-commerce regional framework, which is now highly relevant for regional value chains and international production.
5. As the RCEP entry into force comes into effect, the RCEP signatory countries will have a far-reaching impact on regional trade, investment, and market integration. This will help in expediting the global economic recovery, which is slowly recovering from the impact of the COVID-19 pandemic.



## **Be Competitive or Risk Losing Out**

Ladies and gentlemen,

6. Malaysia stands to greatly benefit from the larger market integration. As we are strategically located at the heart of this region, the reduced trade barriers and better trade facilitation will further enhance market access to other countries with lower costs for businesses.
7. However, in the face of stiff competition, businesses need to act fast. On this note, I urge businesses to consider and adopt two essential approaches that will help seize vast opportunities provided by the Agreement. First, we have to embrace change and reform with the future in mind and secondly, intensify cooperation with regional partners.
8. To be able to compete and increase efficiency globally, it is crucial for businesses to reform. Technologies and digitalisation are the driving force to this transformative change. While the Government is committed to providing a conducive ecosystem to nurture the growth of the local businesses, through the provision of policies, programmes, and continued support to facilitate companies to venture into new industries and markets, it is the businesses who must act fast, embrace changes, seizing the opportunities.
9. I also urge the business community to explore the capacity building programs available in the RCEP framework as it enables the development and expansion of supply chains among members. The



agreement includes technical cooperation and capacity building to support their actions under the agreement.

10. The capacity building arrangement ensures that economies at different levels of development and businesses of varying sizes have the opportunities to maximize the benefits from implementing their commitments.

### **Embracing the New Wave of Growth**

11. As many you may recall, MITI launched the Industry4WRD in October 2018 — manifesting our earnest effort to transform the manufacturing sector into one that is smart, systematic and resilient, leveraging Industry 4.0 technologies. Fast forward to 2021, Malaysia announced the launch of the National 4IR policy that serves as a guiding principle for the nation to stay ahead of the 4IR curve. Under this policy, there will be initiatives to establish industry-led and sectoral based 4IR-skills development centres with plans to incentivise the selected industries to encourage adoption of 4IR technologies.
12. To support and accelerate the adoption of new technologies, Malaysia launched the Digital Economy Blueprint or MyDIGITAL on 19 February 2021. Under this initiative, the Government continues to promote the adoption of e-commerce amongst businesses through the National eCommerce Strategic Roadmap. The roadmap which was updated to NeSR 2.0 recently, set the course for e-commerce in Malaysia to be the catalyst of growth for businesses. The roadmap aims to board 875,000 micro, small and medium enterprises on e-commerce by 2025, boost 84,000 e-commerce export adoption and increase the average revenue per user (ARPU) to RM9,500.



13. Subsequently, Malaysia Investment Development Authority (MIDA) and Malaysia Digital Economy Corporation (MDEC) established the Digital Investment Office (DIO) to streamline the efforts in attracting foreign investment in the strategic digital infrastructure segment such as data centres, submarine cables and dark fibre. The DIO aims to attract digital investments of RM70 billion by 2025.

### **Are Malaysian Companies Ready for the Future?**

14. In order to create a more competitive and sustainable business, the Malaysian Government reckons the importance of the progressive concepts of green energy, energy conservation, environmental protection and sustainable development, as encapsulated in the Environmental, Social and Governance (ESG) standards as well as the Sustainable Development Goals (SDGs) advocated by UNESCO.
15. On this note, I assure you that MITI will strive to promote more investment which complies with the ESG and SDGs, as well as create more competitive and business-friendly environment.
16. To enhance our export competitiveness, MITI through MATRADE has launched National Trade Blueprint (NTB) 2021 - 2025 which will be implemented based on four key priorities:
  - a) **Increase export value and number of exporting companies;**
  - b) **Increase high value export goods;**
  - c) **Diversify export products; *and***
  - d) **Improve export ecosystem.**



## **Leverage the Close Ties Between Malaysia and China**

Ladies and Gentlemen,

17. Building upon our close and enduring friendship, Malaysia and China have continued to strengthen economic ties, even during the current pandemic crisis. China has been Malaysia's largest trading partner since 2009. According to Chinese statistics, Malaysia's trade with China totalled USD176.80 billion, which is a record high in 2021. ASEAN on the other hand is China's biggest regional partner with total trade amounting to USD878.21 billion.
18. With that in mind, let's leverage the good bilateral and regional trade ties with China. The presence of RCEP provides a strategic platform for businesses to collaborate. Beyond the plurilateral agreement, China and Malaysia have established solid and progressive economic cooperation frameworks in the form of the Belt and Road Initiative (BRI) and the Five-Year Programme for Economic and Trade Cooperation. I reaffirm that Malaysia and China will continue to deepen cooperation and synergy between our countries, foster new growth drivers including in the digital and green economy.
19. Hence, I urge Malaysian companies to capitalise on the strong and longstanding ties between Malaysia and China, to partner and collaborate with Chinese companies and other foreign companies interested to expand into China's huge market or to work with Chinese companies to expand into markets beyond China.



Ladies and gentlemen,

20. The implementation of the RCEP Agreement is a timely boost to the long-term economic growth and prosperity of the region. For Malaysia, the RCEP opens greater opportunities towards economic recovery as we emerge from the pandemic together. The Agreement also brings about immense opportunities for businesses to expand within the Asia-Pacific region. On this note, I look forward to seeing our businesses tap on the benefits from the RCEP, to be part of the new regional economic landscape.

21. I am confident today's discourse will provide very useful insights and constructive ideas to move forward collaboratively.

Thank you and have a productive day ahead.