



MINISTRY OF INVESTMENT,  
TRADE AND INDUSTRY

**KEYNOTE ADDRESS BY**

**YB SENATOR TENGKU DATUK SERI UTAMA ZAFRUL AZIZ  
MINISTER OF INVESTMENT, TRADE AND INDUSTRY**

**AT**

**PRAXIS 2025 PUBLIC POLICY CONFERENCE  
FROM FRACTURE TO FUTURE**

**HILTON KL SENTRAL, KUALA LUMPUR  
7 AUGUST 2025**

Bismillahirrahmanirrahim,

**YBhg Datuk Professor Dr Mohd Faiz Abdullah**

Chairman of ISIS Malaysia,

**Ms Natalie Russman**

Country Director of Konrad-Adenauer Stiftung Malaysia

**Tan Sri Prof Dr Jemilah Mahmood**

Executive Director of Sunway Centre for Planetary Health, Sunway University,

Your Excellencies,

Esteemed board members of ISIS,

Distinguished speakers,

Members of the media,

Ladies and gentlemen,

Assalamu'alaikum, warahmatulahi wabarakatuh, Salam Malaysia MADANI and a very good morning.

1. I want to begin by congratulating the Institute of Strategic and International Studies (ISIS) Malaysia on its success in organising PRAXIS 2025, in collaboration with its esteemed partners.
2. It is a pleasure to be invited once again to deliver the keynote address at this flagship conference on trade, climate change and connectivity. In the year that has passed since my last keynote, the world, to put it mildly, has evolved in many ways, making PRAXIS even more relevant and truly indispensable.

## A FRAGMENTED GLOBAL LANDSCAPE

3. **Today's global environment is increasingly volatile.** From rising tariffs and tech controls to the fragmentation of international cooperation, **we are witnessing a fundamental reshaping of the global economic order.** Change that once unfolded over a decade now takes place in a matter of weeks.
4. At PRAXIS 2024, I highlighted the government's efforts to implement holistic policies for a better tomorrow, ranging from the **Madani Economy Framework** to the **New Industrial Master Plan (NIMP) 2030** and the **National Energy Transition Roadmap (NETR)**. These initiatives were conceived to equip Malaysia to face precisely the kinds of disruptions we are seeing today.
5. Since then, the urgency to build national resilience and promote sustainable development has only grown more acute. PRAXIS' 2025 theme – **From Fracture to Future** – aptly captures the world we live in. Yes, we face fractures. But fracture is not fate.
6. As a maturing industrial economy, Malaysia has the agency to chart a course towards a high growth nation that is stable and inclusive as outlined by the Madani Economic Framework. That journey begins with **reinforcing our fundamentals**, as well as **accelerating our green and digital transitions**. Additionally, **tactful diplomacy, embracing regional cooperation and forging partnerships** must be a source of strength.

7. So, what I propose to do today is to give a short stocktake on what we've accomplish as ASEAN Chair based on those terms, with a view of strengthening Malaysia's trade and investment position.

Distinguished guests, ladies and gentlemen,

## **ASEAN CHAIRMANSHIP**

8. **Malaysia's ASEAN Chairmanship in 2025 exemplifies our commitment to advancing regional cooperation in a time of geoeconomic flux.** We must remember, in today's fractured world, geoeconomics is no longer optional — it is destiny. For Malaysia and ASEAN, the challenge is to turn our geography into strategy, our neutrality into strength, and our openness into opportunity.
9. Against that complex backdrop, in May this year, we formalised a renewed trajectory through the **ASEAN Vision 2045** and the **ASEAN Economic Community Strategic Plan 2026–2030**.
10. Both these documents send a clear message: that deeper regional integration, particularly in trade and connectivity, is our best buffer against global uncertainties. Despite an extensive network of FTAs, **intra-ASEAN trade still makes up less than a quarter of the region's total trade**, a figure that has stagnated over the past decade.
11. To reverse this, **Malaysia has tabled 18 Priority Economic Deliverables (PEDs) for our chairmanship year.** I am pleased to report that more than half

of our trade-related targets have already been met. **We have concluded negotiations to upgrade the ASEAN Trade in Goods Agreement (ATIGA) and the ASEAN-China Free Trade Area (ACFTA).** These upgraded FTAs, expected to be signed in October, expand cooperation into new areas such as services, e-commerce and SMEs.

12. We are also focused on strengthening the implementation and utilisation of agreements such as the Regional Comprehensive Economic Partnership (RCEP). The establishment of the RCEP Support Unit at the ASEAN Secretariat was only the start. **Much more must be done, especially in empowering SMEs to take full advantage of agreements such as RCEP.**
13. The upcoming ASEAN Digital Economy Framework Agreement (DEFA) is another major priority. With ASEAN's digital economy projected to reach USD2 trillion by 2030, a comprehensive regional framework for data flows, paperless trading, e-commerce and cybersecurity is timely.
14. But **regional integration must go beyond the traditional concepts of trade and investment.** In today's context, economic security is just as vital as efficiency. Highly interconnected supply chains are increasingly vulnerable to disruption, whether due to pandemics, natural disasters, or geopolitical tensions.
15. To address this, Malaysia has proposed the **ASEAN Framework on Integrated Semiconductor Supply Chain (AFISS).** This is aimed at positioning Southeast Asia as a unified production base for microchip design, manufacturing, packaging and distribution. This vision **complements bilateral efforts such as**

**the Johor-Singapore Special Economic Zone and underscores the need for ASEAN member states to collaborate, not compete, in attracting foreign direct investments.**

16. Trade diversification remains a key focus. **This year, we successfully convened not only the now-established ASEAN-GCC Summit but also the first-ever ASEAN-GCC-China Summit, resulting in a joint declaration on economic cooperation.** This could serve as a springboard for a future ASEAN-GCC Free Trade Agreement, with strong potential in sectors such as renewable energy, halal, and Islamic finance.

#### **NATIONAL PRIORITIES: RESILIENT AND RULES-BASED POLICIES**

Distinguished guests, ladies and gentlemen,

17. Our efforts at the regional level in ASEAN mirror our national economic priorities. Malaysia remains steadfast in supporting an open, transparent and rules-based global trade order. We have signed and implemented **nine bilateral and nine regional FTAs, including RCEP and the CPTPP**, two of the world's largest trade agreements. Ongoing **negotiations with the EU, GCC and South Korea** will only expand this list.
18. **In parallel, we have stepped up our economic diplomacy efforts as a key pillar of Malaysia's international engagement.** Our objective is clear: to **amplify Malaysia's voice as a principled, constructive middle power** and to **actively shape conversations on global trade, development and equity.** This

includes pursuing meaningful engagement with both established and emerging economies through multilateral, regional, and plurilateral platforms.

19. In this regard, **Prime Minister Anwar Ibrahim's recent visit to Rio de Janeiro for the BRICS Summit marked a significant milestone.** Malaysia was honoured to be invited as one of the new Partner Countries of BRICS—a recognition of our strategic value to the evolving Global South narrative.
20. At the BRICS Business Forum, the Prime Minister **made a strong call for closer institutional linkages between BRICS and ASEAN, highlighting the shared ambition of both groupings: not to disrupt the global order, but to rebalance it. Our engagement with BRICS is forward-looking rather than ideological, driven by the practical necessity of needing to diversify our relationships on all fronts. We must realise, and Malaysia is hoping to demonstrate, that neutrality is about friendship with all rather than picking sides.**
21. As global economic governance becomes more contested, Malaysia's **BRICS engagement** offers new opportunities to **diversify partnerships, promote technology transfer, and enhance connectivity** with fast-growing economies in Latin America, Africa and Central Asia.
22. Our **participation in BRICS complements our existing alliances** and reinforces our belief that constructive engagement with all major economic centres, North and South, is essential to national resilience.

23. Recent bilateral milestones further illustrate our strategic outreach. In August 2024, **Malaysia and India elevated ties to a Comprehensive Strategic Partnership**, enhancing cooperation in science and technology, fintech and education. Just last November, **Malaysia and Brazil** signed two MoUs to **deepen collaboration in semiconductors**, highlighting both countries' ambitions to build industrial competitiveness and advance south-south cooperation.
24. **Through it all, Malaysia remains committed to a policy of economic nonalignment.** Both the United States and China are vital partners to us. It is not in our interest to choose between them or decouple from either. Our principle is clear: **engage all economies, big and small, North and South**, based on **mutual respect, mutually beneficial interests, and long-term resilience.** Our neutrality is our strength, and we must preserve it to our utmost ability.

Distinguished guests, ladies and gentlemen,

### **CANNOT REST ON OARS**

25. We have achieved much and will continue to achieve a lot more in terms of the Economic Pillar for ASEAN and reform plans for Malaysia. But now is not the time for either to rest.
26. The dispute between Thailand and Cambodia shows a **clear message:** our region must **never take the peace and stability it has enjoyed for the last couple of decades for granted.** Malaysia - under the courageous leadership

of Prime Minister Anwar Ibrahim, whose efforts to maintain peace and stability in our region are bearing fruit and are being recognised near and far – will of course do all it can within the framework of ASEAN. **As Chair of ASEAN, we have a duty to ensure the ceasefire holds and that a more lasting, just resolution can be achieved.**

27. Separately, the “Liberation Day” tariffs have been a tough challenge to ASEAN’s unity and coherence. I would argue that, while we have ended up with several different rates, **ASEAN has held the line in the sense that we prioritised negotiation rather than confrontation.** The **non-retaliatory approach was strongly pushed by Malaysia** and adopted by our ASEAN colleagues.
28. While the negotiations were not easy, **I believe we got the best possible deal we could for Malaysia,** one which, while addressing key concerns in US-Malaysia bilateral trade, still upheld our key national interests and red lines.
29. It is true there is still much uncertainty ahead. Will there be sector-specific tariffs, such as on semiconductors? Will our region need to reckon with other trading partners making demands? **Clarity on arguably the most important factor of them all: US and China, is scarce and may elude us for generations.**
30. So, we’re still in uncharted waters. But the most important point is that we are not facing this with a fractured national or regional stand. Without in any way claiming these things to be a silver bullet, I would like to suggest three points that we can and ought to keep before us moving forward, as ASEAN.

## REFORM MUST BECOME PART OF THE ASEAN WAY

31. First, **we need to double down on the ASEAN Way**. Our principles of **non-alignment** and a willingness to dialogue with all like-minded partners has value. It **has remained intact in the face of the challenges of “Liberation Day”** and arguably delivered what we as a region needed, where and when it mattered.
32. Second, **the process of diversification and economic integration must continue**. The former because while the American market remains crucial, it is undoubtedly going through a phase where rules-based trading is becoming less clear, causing a lot of uncertainty — possibly for a generation as well.
33. The latter because when all is said and done, **a 680-million strong ASEAN market is a valuable resource to ‘tide us over’ during this fractured era**. The initiatives I have mentioned: the ATIGA upgrade, DEFA and the AFISS, are just the most obvious of limitless opportunities. For instance, talent development on a regional scale is also something we can and ought to explore.
34. Finally, **reform must continue, both nationally and on the ASEAN level**. Like it or not, “Liberation Day” has raised some uncomfortable questions about our economic models. While the best change is not necessarily the most drastic, we may need to have deep, frank conversations on where we are going and what we need to do. Nationally, it is now more crucial to ensure the success of reform plans like the NIMP2030 (which emphasizes on wide

industry-based innovation and inclusivity), as well as the 13<sup>th</sup> Malaysia Plan (13MP), which focuses on transformative, nation-wide progress.

35. The success of these policies will help the regional conversations—of how we as ASEAN can build stronger institutions and more connected economies—move not from a place of suspicion, but from one of strength and confidence.
36. So it is for Malaysia, so it is for ASEAN. There is **no shortage of voices willing to write off either with every twist or turn**. But we thus far have endured, and I am confident we will continue to do so.

## CONCLUSION

Distinguished guests, ladies and gentlemen,

37. **The world around us is shifting—not with the gentle rhythms of yesterday, but with the tremors of a new age**. Fault lines of geopolitics, technology, and trade have cracked the old certainties. But from these fractures, we must summon **not fear—but foresight, and some degree of faith in ourselves**.
38. **Nations are not built in stillness but are forged in flux. The sharpest swords are forged in the hottest fires**. And it is in these moments of dislocation that the arc of our future is drawn—not by fate, but by the choices we make today. **Malaysia will not drift aimlessly in this turbulent tide. We will anchor ourselves to our principles, chart a course through complexity, and embrace the boldness required to lead**.

39. From fractured supply chains, **we will build resilient ecosystems**. From economic uncertainty, we will **craft enduring partnerships**. From the fragmentation of the world, we will **offer Malaysia as a bridge—of stability, trust, and purpose**. So let us not speak of **fracture** as an end—but as a **beginning: a golden opportunity for renewal and reform**.
40. The global moment is precarious, but not hopeless. It is precisely **through proactive leadership, both nationally and regionally, that we can build the resilience needed to weather current and future shocks**. Malaysia’s ASEAN Chairmanship is grounded in this ethos.
41. Our PEDs reflect our **commitment to sustainability, inclusiveness and long-term stability**. This is how we **move from fracture to future**. Let history one day say: in an age of division, Malaysia chose to unite; in a time of doubt, we chose to act; and in the face of fracture, we forged our future.
42. Let me end with the enduring wisdom of **Tunku Abdul Rahman**, the Father of our Nation: “Kunci kepada kemajuan dan kesejahteraan tidak terletak pada kepuasan menikmati apa yang telah dicapai, tetapi pada keazaman yang utuh untuk melakukan yang lebih daripada itu pada masa hadapan”.
43. “The key to progress and prosperity doesn’t rely on contentment with what has been achieved, but on the steadfast resolve to strive for more in the days ahead”.
44. I wish you a productive and thought-provoking conference and look forward to the robust discussions ahead.

Wabillahitaufik walhidayah. Wassalamualaikum warrahmatullahi wabarakatuh.

Thank you.