



**MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY**

KEYNOTE ADDRESS BY

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DEPUTY MINISTER OF INVESTMENT, TRADE AND INDUSTRY (MITI)**

AT THE

SIDC-CASI SUSTAINABLE AND RESPONSIBLE INVESTMENT CONFERENCE 2025

**TUESDAY, 29 JULY 2025
SECURITIES COMMISSION**

Salutations

Yang Berbahagia Dato' Mohammad Faiz Azmi
Chairman of Securities Commission Malaysia

Yang Mulia Tengku Zarina Tengku Chik
Chief Executive Officer of Securities Industry Development Corporation

Dr Ma Jun
Chairman of Capacity-building Alliance of Sustainable Investment (CASI) and
President of Institute of Finance and Sustainability (IFS)

Board of Directors and Senior Management team of the SC and SIDC

Distinguished speakers, guests, ladies and gentlemen

Salam Malaysia Madani dan Salam Sejahtera,

1. I would like to thank Securities Industry Development Corporation (SIDC) and Securities Commission for inviting me to deliver the Keynote Address at this important Sustainable and Responsible Investment Conference 2025, held in collaboration with the Capacity-building Alliance of Sustainable Investment (CASI).
2. The theme, 'Shaping the Future of ASEAN Business in Sustainability', reflects Malaysia's commitment to advancing sustainable and responsible investment while promoting inclusive and long-term growth across the region.
3. The conference is important to the Malaysian capital market as it addresses issues in sustainable and responsible investment.
4. Two years ago, on 27 July 2023, Prime Minister Datuk Seri Anwar Ibrahim launched the Madani Economy Framework at the Securities Commission. The two core ideas in the framework are to "raise the ceiling" and to "raise the floor" at once. It is a set of balances the Prime Minister tries to strike. The same set of equilibrium is what responsible investors and the capital market try to achieve: we have to grow the cake to share it, and share it as equitable as possible.
5. For too long, many believe in the trickle down theory. They think that growth will automatically take care of the question of distribution, without us having to lift a finger. And, worse still, some have fallen for the idea that capitalism's only purpose is to serve the interests of shareholders, not stakeholders. For 50 years, the Anglo-Saxon world bought into Milton Friedman's idea that the only purpose of a corporation is to increase the returns for shareholders.

The end of export-led industrialisation strategy

6. But we have to rethink all these because the world is a very different place now, compared to just a couple of years ago. From the time the Soviet Union collapsed until the Covid-19 pandemic, the world was in a hyperglobalisation hype which assumed that history had ended, the world was flat, and a single global supply chain was possible.
7. If we take an even longer horizon, Asian societies grew rich by exporting to the United States ever since the end of the Second World War, from Japan in the 1950s, the four dragons - Singapore, Hong Kong, Taiwan, and South Korea - in the 1960s and 1970s, the four tiger cubs - Malaysia, Indonesia, the Philippines and Thailand, and later Vietnam and China. The “East Asia” formula was essentially an export-led industrialisation strategy maximising the demographic dividends of the then very young populations across Asia.
8. The export-led industrialisation strategy, apart from requiring a young population, presupposes the United States as the consumer of the first resort, and also presupposes a race to the bottom among exporting countries to compete to destroy the environment, to suppress wages, and to offer lucrative tax incentives to foreign investors, at the expense of the state’s capacity to ensure the social wellbeing of its citizenry.
9. That strategy will continue as long as the United States is prepared to be the consumer of the last resort or first resort. Yet, over the past decade, the United States is clearly not prepared to continue to receive so much imports from Asia. The Trump tariff is the manifestation of such bipartisan sentiments in the United States.
10. We have to confront the new reality that we can’t just export our way to prosperity. To continue to prosper, our societies - Malaysian and ASEAN - will now have to create the market by ensuring that our own citizens and our own region has a dynamic middle class. Only with a large middle class that our people would be able to spend and sustain our industries.

Madani: Building a middle class and a sustainable society

11. When we look back into history, 2001 was a watershed year with September 11 and the responses of the United States shaping the geopolitical scenario for two decades, and the other equally consequential event was China joining the World Trade Organisation that year.
12. When we look back in 20 years’ time, we may say that this would be the watershed year when all previous calculus and assumptions were thrown out of the window, and new ones being adopted. Malaysia and ASEAN must not be mere bystanders but to be an active participant in shaping the new order of our nation, our region and the world.
13. We now know what we have to deal with.

- a. First, we cannot just rely on the United States being the consumer of the last resort, therefore we need to diversify our market;
 - b. Second, we cannot just diversify the market to export to the rest of the world if they are not rich enough to consume our produce;
 - c. Third, in order for our produce to be consumed, we have to ensure that there are consumers, and if there are none, we have to create them by making our people richer and becoming a middle class society, and hoping that ASEAN will grow richer, too;
 - d. Fourth, we are doing all these in a time when societies are aging fast. Therefore we must ensure that Malaysians and the people of ASEAN grow rich before we get old;
 - e. Fifth, at the same time, we have a global political crisis of populism, as societies are getting very unequal thus those who have nothing as well as those who have nothing to lose become very agitated; a world or a nation with many people who feel dispossessed do not make good political and economic senses. We can circle back to the earlier point that we need consumers, and we need our people to be middle class to be consumers, therefore we need to pay people better and narrow the wealth gap in our societies;
 - f. And, all these are happening when there is a lurking climate crisis which continues to cause economic losses and disastrous displacements each time a flood or a forest fire or a typhoon hits. The annual cross border haze that clouds our skyline recently is another constant reminder.
14. When we speak about Madani and its objectives to raise the ceiling and floor at once, it is really about dealing with the challenges of our time and to build a compassionate economy not just because it is ethically desirable but also economically sound.

Raising the ceiling: creating ASEAN technologies and ASEAN MNCs

15. Together with my Indonesian counterpart, I am co-chairing the ASEAN Geoeconomic Task Force to look at three challenges:
- a. First, the Trump tariffs and its impacts
 - b. Second, the second order effect from the Trump tariffs and how industrialised Asian economies could avoid flooding each other's market and wipe out the industrial capabilities in our societies
 - c. Third, most importantly, to consider the future of ASEAN integration
16. What can the capital market do to bring forth a prosperous and sustainable ASEAN with a strong middle class? The key is to create ASEAN technologies and to create ASEAN MNCs.

17. Very often we are stuck in the old mindframe. We think that Malaysia and ASEAN have no technologies and therefore we could only depend on foreign technologies. That is not exactly true. If we invest sufficiently and if we channel the capital market into the direction of investing in technologies and not into creating more real estate bubbles, we will see the rise of ASEAN technologies. As Prime Minister Anwar said at the first anniversary of the National Semiconductor Strategy last week, Malaysia is the indispensable middle in the global technology landscape and because of Malaysia's neutrality, Malaysia technology is meaningful to us and also to the competing superpowers. We should also see ourselves as creating technologies for the bottom billions of the world's population.
18. We often also talk about helping SMEs but in actual practice we also help foreign MNCs. Yet there is a gap where we don't fill: we are not doing enough to create Malaysian and ASEAN technology-based MNCs. The capital market may need to think about the future of Malaysian companies and their roles very differently. We need to see more Malaysian companies with technologies growing to become ASEAN MNCs and eventually with some global footprints. In the next 20 years, ASEAN should have a mini-Samsung or a mini-Huawei or a mini-TSMC.
19. We live in a different phase in global history and it's time for us to be bold to shape the capital market and the region if not the world with new ideas, ideas that will create sustainable economies and societies where people are prosperous and fulfilled - some forms of a Madani society.

Conclusion

20. I am confident the SIDC-CASI SRI Conference 2025 today will spark discussions and facilitate the exchange of ideas among capital market stakeholders and the larger business community. I hope it will result in greater collaboration in investment communities, especially in areas that could preserve our planet for the sake of our future generations.
21. Together, let us chart a path towards a sustainable, vibrant and resilient future for Malaysia.
22. I wish you a fruitful conference. Thank you.