

Welcoming Remarks by

**His Excellency Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz
Minister of Investment, Trade and Industry of Malaysia**

for

“MALAYSIA-VIETNAM BUSINESS FORUM”

**Friday, 21 July 2023
Pan Pacific Hotel, Hanoi**

Honourable Dato' Seri Diraja Dr. Zambry Abd Kadir
Minister of Foreign Affairs of Malaysia

Honourable Mr. Chan Foong Hing
Deputy Minister of Agriculture and Food Security

Her Excellency Phan Thi Thang [*Fan Tee Tang*]
Vice Minister of Industry and Trade of Vietnam

His Excellency Dato' Tan Yang Thai,
Ambassador of Malaysia to Vietnam;

Senior Officials from Malaysia and Vietnam;

**Executive Vice Chairman of Vietnam Chamber of Commerce and
Industry (VCCI);**

**President of Malaysia Business Chamber of Commerce Vietnam
(MBC); and**

Captains of Trade and Industry from both countries.

Excellencies, distinguished guests, ladies and gentlemen,

Chào buổi sáng! (Cau bui sang) (Good Morning)

1. I wish all of you a warm welcome to the Business Forum this morning, gathering of Malaysian and Vietnamese businesses and entrepreneurs. I am very pleased to be here, to listen and explore potentials and opportunities for collaboration and exchanges, to boost our trade and investment linkages between our two nations. As you know, this forum is in conjunction with the Honourable Dato' Seri Anwar Ibrahim, Prime Minister of Malaysia's inaugural visit to Vietnam whom will be joining us later during our session. The visit also marks a significant milestone as we join hands to elevate our bilateral relations.
2. Malaysia and Vietnam share a vibrant history of friendship and cooperation in important areas of economic, trade and investment and it is important that we continue to build upon our shared interests and achievements that transcend borders. As entrepreneurs, business leaders, and visionaries, each of you assume a crucial role in shaping the future of both nations' economic landscape.

Global Economic Trend

Ladies and gentlemen,

3. The world we live in today is extremely interconnected and interdependent. The global economic landscape has been significantly impacted by a myriad of factors, from geopolitical tensions, technological advancements, environmental challenges to global health crises that hit all of us couple of years ago.

4. The World Bank's latest projections indicate that the world economy will remain frail and at risk of a deeper downturn this year and next year. The baseline scenario forecasts that global growth will slow from 3.1 percent in 2022 to 2.1 percent in 2023, before inching up to 2.4 percent in 2024. (Source: Global Economic Prospects, June 2023). However, should inflationary pressures persist, this could lead to continued tightening of monetary measures by major central banks, which could further dampen the projected slowdown in economic growth.

5. Therefore, one of our objectives through this official visit is to see how we can work together to overcome challenges brought about by not only a slowing global growth, but also factors such as disrupted supply chains, increasing commodity prices and geopolitical tensions. Against this gloomy prospect, it is more important than ever for us to strengthen and deeply integrate our economy, be it at bilateral, plurilateral and multilateral levels. As such, the objective of this forum today is for all of us to have robust exchanges and leave with a renewed spirit to work closely together to propel our economy further.

Bilateral Trade and Investment

Ladies and gentlemen,

6. A few days before this visit, I gave an interview to the Vietnamese News Agency based in Kuala Lumpur, where I stressed that there are, indeed, plenty of opportunities for both Malaysia and Vietnam – whether through the public or private sectors – to collaborate more closely.
7. Bilaterally, the relationship between Malaysia and Vietnam is built on a strong foundation of mutual respect, trust, and shared aspirations. I must say that, bilateral trade has been a key driving force in our relationship, serving as a pillar of economic growth and development for both Malaysia and Vietnam.
8. The potential for further growth in our bilateral trade is immense, given the complementarity of our economies. Malaysia, with its robust manufacturing sector and advanced technology, offers a wealth of investment opportunities for Vietnamese businesses. Likewise, Vietnam's sizeable market base, as well as a dynamic and rapidly expanding economy present Malaysian companies with a thriving market for their goods and services.
9. I am pleased to share that in 2022, Malaysia's total trade with Vietnam continued its upward trajectory, growing by 23.1 percent year-on-year, valued at USD 19.44 billion. Exports increased by 17.6 percent to USD 12.2 billion while imports also increased by 33.2 percent to USD 7.2 billion. Vietnam was Malaysia's 12th largest

trading partner globally, while in ASEAN, Vietnam was Malaysia's 4th largest trading partner after Singapore, Indonesia and Thailand.

10. On the investment front, accumulated as of 2022, Malaysia was Vietnam's 10th largest investor in Vietnam after Singapore and Thailand. All these numbers demonstrate the robustness of both countries trade and investment relation.
11. I am pleased that in addition to being part of ASEAN, and duly abiding by the ASEAN economic-related agreements, Malaysia and Vietnam are also parties to two important trade agreements, notably the Regional Comprehensive Economic Partnership (RCEP) and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP).
12. I strongly believe that the implementation of the RCEP and CPTPP will provide a big boost to our ongoing economic recovery efforts, post-pandemic. These agreements play a crucial role in advancing our agenda of progressive, sustainable, and inclusive growth, further strengthening our efforts towards a resilient and prosperous future.
13. Just last week, I attended the 7th CPTPP Commission Meeting in Auckland which saw the inclusion of the UK as the new member of CPTPP. This marks a significant development in the evolution of the CPTPP, as UK becomes the first non-founding country outside the Asia-Pacific region to join this mega trade deal. Also, the UK's accession clearly shows the attractiveness and benefits of the CPTPP, which Malaysia and Vietnam are part of. This would certainly

encourage other countries to consider the advantages of membership, as well as closer economic integration and cooperation.

14. Embracing the CPTPP presents Malaysia and Vietnam with numerous opportunities to unleash our market potential, bolster the services sectors, facilitate investment flows, and empower small and medium-sized enterprises (SMEs) in both nations. The CPTPP also promotes sustainable and inclusive growth, with provisions that address labor rights, environmental protection, and sustainable development, aspirations held both our countries. Encouraging responsible business practices and social inclusivity contributes to long-term prosperity and the well-being of participating nations, including Malaysia and Vietnam.
15. Meanwhile, the implementation of the RCEP agreement will enable both Malaysia and Vietnam to establish a contemporary, inclusive, top-tier, and mutually advantageous economic alliance. This partnership will foster the growth of regional trade and investment, thereby making substantial contributions to global economic progress and development.
16. Boosted by those two mega trade deals, the potential areas of cooperation between Malaysia and Vietnam are immense and promising. By collaborating in areas such as real estate and property, food and beverage and halal products, construction and building materials as well as medical and pharmaceutical products, we can unlock opportunities for economic growth, and build a stronger partnership that will benefit our nations and our people.

17. On that note, Malaysia and Vietnam recognize the significance and importance of the Malaysia-Vietnam Joint Trade Committee (JTC), a discussion platform established between both countries, to have robust exchanges, review bilateral trade cooperation, as well as address challenges and obstacles faced by entrepreneurs from both countries. This is particularly crucial as both nations are committed to achieving sustainable development in the aftermath of the COVID-19 pandemic. Let us seize these opportunities together. I look forward to participate in the 4th JTC in 2023 to be convened later this year.

18. Beyond trade and investments, Malaysia and Vietnam have been active partners in ASEAN, working together to promote regional peace, stability, prosperity and integration within our region. Let us leverage on our common participation in various regional and international platforms to continue addressing challenges and advancing our shared interests for the benefit of both countries and ASEAN's sustainable, balanced and inclusive growth.

Closing

Ladies and gentlemen,

19. As we look to the future, the evolving global landscape may be full of new challenges that require us to adapt and innovate, but it also presents numerous opportunities. Hence, we must continue to explore untapped areas of collaboration, such as digital economy, sustainable development, and emerging technologies. By leveraging our respective strengths and resources, we can address these challenges together and propel our nations onto a more sustainable growth path.

20. This forum can clearly build on the meaningful milestones achieved in Malaysia and Vietnam's first 50 years of diplomatic relations. Let us draw inspiration from the resilience, determination, and friendship that have united us thus far. May this Malaysia-Vietnam Business Forum be a catalyst for fresh connections, fruitful collaborations, and a prosperous future for both our nations.

21. I wish all of you the very best in your deliberations and discussions.

Thank you.