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**MINISTER OF INVESTMENT, TRADE AND INDUSTRY,
MALAYSIA**

ASEAN BUSINESS FORUM 2025

THE ST. REGIS, KUALA LUMPUR

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[SALUTATIONS]

Assalamualaikum, good morning, and Salam Malaysia MADANI.

INTRODUCTION

Distinguished guests, esteemed colleagues, partners in business, and friends from across ASEAN and beyond,

1. Thank you to ASEAN-BAC, China Galaxy Securities, CGS International for having me at this ASEAN Business Forum 2025. This could not be timelier, as markets have been roiled by protectionist policies and tariffs by a country whose outsized influence is holding everyone else at ransom.
2. In managing this from the ASEAN perspective, I would like to share that just days ago, Malaysia successfully hosted the 46th ASEAN Summit in Kuala Lumpur. Our leaders adopted the KL Declaration on ASEAN 2045 with the theme *Our Shared Future*. In light of the changing world order, it reaffirms our commitment to strengthen market integration, resilience and sustainable growth in ASEAN for the coming generations.

ASEAN AT A TURNING POINT: PROMISE AND PARADOX

3. For ASEAN's Economic Pillar, the **key instrument feeding into the KL Declaration is the new ASEAN Economic Community (AEC) Strategic Plan 2026–2030**. This Plan is grounded in six strategic goals, 44 objectives, and 192 concrete actions. More crucially, this plan is a living, breathing roadmap, supported by a comprehensive suite of Key Outcome Indicators. **Its launch, alongside the ASEAN Community Vision 2045, signals to the world that ASEAN is evolving** in a manner that will **strengthen its leadership and unity**.
4. There are **three key points** to note about the ASEAN Economic Community Plan (2026 – 2030):
 - a. **First**, it aims to significantly enhance intra-ASEAN trade, as well as increase our interconnectedness as a single market for goods, services and investments, to spur the region's competitiveness.
 - b. **Secondly**, the AEC Strategic Plan spells out ASEAN's readiness towards reforms, enhanced connectivity, and innovation, anchored on principles of inclusivity and sustainability. It will also establish a forward-looking digital economic framework and an AI-driven operating landscape. As one of the world's fastest-

growing regions, ASEAN's digital economy is expected to reach US\$1 trillion by 2030.

- c. **Thirdly**, the AEC Strategic Plan strongly emphasises ASEAN's market openness and willingness to engage with external partners, even while parts of the global economy are becoming increasingly more inward-looking.

MALAYSIA'S CHAIRMANSHIP: TURNING VISION INTO DELIVERABLES

- 5. Malaysia's ASEAN Chairmanship in 2025 is guided by a singular principle: **Translating vision to deliverables.**
- 6. Out of the 18 Priority Economic Deliverables (PEDs) endorsed in February this year, **nine PEDs are under the direct purview of the ASEAN Economic Ministers.** The balance nine are under other AEC Sectoral Ministerial Bodies, covering areas like sustainability, intra-regional payment connectivity and AI regional safety network.
- 7. As head of the ASEAN Economic Community Pillar this year, Malaysia **remains committed to ensuring that the region's economic imperatives are catalysed** by these

18 Priority Economic Deliverables (PEDs). These include:

- a. **One, the upgrade of the ASEAN Trade in Goods Agreement (ATIGA);**
 - b. **Two, the substantial conclusion of the ASEAN Digital Economic Framework (DEFA);**
 - c. **Three, the FTA upgrade between ASEAN and China, and ASEAN and India; and**
 - d. **Four, the ASEAN Power Grid**
8. We are here at a pivotal moment: **our region is facing unprecedented challenges, but there are also key opportunities that ASEAN can and must reap.** To that end, diversifying trade and investment partners is important for ASEAN in navigating the current geoeconomic landscape.
9. Malaysia and ASEAN have chosen the path of engagement and dialogue, not confrontation, to ensure the region remains a beacon of stability and credible connection for partners worldwide. Aside from that, there are several **key reasons why blocs, like the GCC, and other Dialogue Partners would like to continue engaging with ASEAN:**

10. **First, ASEAN's combined GDP in 2024** soared to a record **USD3.84 trillion**, marking a **growth of 4.8%** - nearly double the global average.
11. **Trade and investments** continue to fuel the growth of our region. **Merchandise trade in 2024** hit an all-time high of **USD3.84 trillion, a 9% year-on-year increase**. **Intra-ASEAN** trade now **exceeds one-fifth of our total trade**, thanks to our more integrated supply chains (although this **could be higher** and we are working on it through our ATIGA upgrade I mentioned earlier).
12. **FDI**, on the other hand, **reached USD224.3 billion last year**. I am pleased to share that **Malaysia had the fastest FDI growth rate in ASEAN—nearly 20% in a single year**.
13. **Secondly**, ASEAN – as the world's third-most populous region with **680 million people** and a **median age of just 30** – has a **demographic dividend** that not many economies have. Aside from the size of our market, our population is also **generally urban** and increasingly **connected digitally**.
14. **Third**, thanks to political security in most ASEAN countries, **our tourism rebounded strongly, with over 126 million**

international arrivals in 2024. This has helped revive SMEs and local economies across the region.

15. **Fourth**, the unique strength of ASEAN lies in our speed and agility. **Southeast Asian firms can bring a new product to market in just six months**, much faster than global peers, and **70% achieve returns within the first year**. Our digital integration is setting global benchmarks for innovation and market responsiveness.
16. **Our real task behind the PEDs, therefore, is to ensure that each economic deliverable becomes a foundation for broader opportunity, shared prosperity, and true resilience.**
17. Because **all those numbers are being threatened by real challenges**: new **tariffs** and **shifting supply chains**, **rising costs**, **energy insecurity**, **climate disruptions**, and a **rapidly evolving world order**.
18. And **behind those challenges are real people**: young **graduates** seeking opportunities, **new families** building a better future, and **small local businesses** being impacted by a changing global landscape.

PARTNERSHIPS THAT DELIVER: FROM POLICY TO EXECUTION

19. So, I hope that today's Forum is not just a gathering of policy minds, but a **catalyst for real execution to support our economic deliverables** under Malaysia's ASEAN Chairmanship.
20. The exchange of **several major MOUs and a Letter of Intent** represent engines of progress – driving **investments in industry, infrastructure, digital healthcare, capital markets, and new regional supply chains**.
21. Let me offer a few examples:
 - a. **The Johor-Singapore Special Economic Zone (SEZ)**: A landmark initiative that stands as a template for future cross-border industrial zone, strengthening supply chains and attracting new capital and talent.
 - b. **New Digital and Financial Solutions**: Malaysia is positioning itself as a regional hub for wealth management and digital finance, supporting the seamless movement of capital and investment across ASEAN.

c. **Green Investment and Infrastructure:** Projects enabled by these MOUs are channelling capital into renewable energy, smart manufacturing, and the digital health sector, areas identified as high-impact for ASEAN's transition.

22. All these come with **clear objectives and measurable outcomes:** more **jobs**, better **technology**, and **better opportunities** for our people.

THE TWIN ENGINES: INCLUSIVITY AND SUSTAINABILITY, POWERED BY DIGITALISATION

Ladies and gentlemen,

23. Our Chairmanship's theme is **Inclusivity and Sustainability**. As we chart ASEAN's next decade, in my opinion, both will be served by our efforts and advancements across two fronts: green technology and digital transformation.

24. Let us be clear: if left unchecked, **climate risks could cost ASEAN up to 30% of GDP by 2050**. But the **opportunity** before us is **even clearer:** by advancing green investments

and cross-border collaboration in regional power grids, carbon markets, and clean energy incentives, ASEAN could generate an additional USD300 billion annually in green revenues. This could unlock up to USD1.5 trillion in new value by 2030.

25. To put things into commercial perspectives, let me share some key numbers:
26. **First**, Malaysia's own **Green Investment Strategy** has delivered **nearly a thousand approved projects in 2024**, channeling **RM20.8 billion into the economy** and **creating thousands of future-ready jobs**.
27. **Secondly**, we are pushing for **key frameworks and regulatory provisions to put our green ambition into action**. These include the ASEAN Taxonomy for Sustainable Finance, Sustainable Investment Guidelines, and the Greening Value Chain Playbook. There is also the **ASEAN Strategy for Carbon Neutrality**, with initiatives such as harmonising carbon markets and measurement standards; advancing carbon capture, utilisation, and storage (CCS/CCUS) technologies; and creating a just transition framework for workers and communities. All these are facilitating the corporate sector's pivot toward sustainable, climate-friendly growth.

28. **Third**, and perhaps most transformative is the **ASEAN Power Grid (APG)**. With 18 cross-border power projects in the pipeline and over 60 renewable energy sites identified, the APG stands as a flagship for ASEAN's sustainable energy transition. Studies have shown that the APG could add up to USD3 trillion in GDP value by 2050 and create 1.45 million jobs across the region. The APG's success will rely on strategic funding, from banks like the ADB and World Bank, ensuring ASEAN centrality and regional autonomy.
29. **Fourth**, in 2024, **ASEAN's digital sector** saw **profits triple to USD11 billion** and **attracted over USD30 billion in new data centre investments**. This surge is being fuelled by our youthful population, rapid urbanisation, and robust public-private partnerships. This also sets the stage for the region's next digital leap: the ASEAN Digital Economy Framework Agreement (DEFA). Now in advanced negotiations, DEFA aims to double ASEAN's digital economy to USD2 trillion by 2030, connecting e-commerce, fintech, digital finance, and AI-enabled solutions across borders.

30. Yet, let us remember: progress only counts when its benefits are shared and enjoyed by all. To fully unlock our potential, we must close the gaps that hold us back.
31. For example, **unlocking the potential of our 334 million women** – roughly half of ASEAN’s population, **could add up to USD2.3 trillion to regional GDP**. Yet, women and rural communities still face barriers to jobs, wages, and entrepreneurship. In Malaysia, our MADANI vision, echoed in this Forum, places inclusion at the heart of our economic strategy—spotlighting women, youth, MSMEs, and creative industries as true partners in our shared success.
32. The future of ASEAN is one where every voice matters, and the door is open to all. Our MADANI Economy Framework places a premium on social equity, talent mobility, and skills development, building a workforce that is fit for the digital, green, and creative economies of tomorrow.

DIPLOMACY, EXTERNAL PARTNERSHIPS, AND GLOBAL LEADERSHIP

33. As the world undergoes profound realignment, ASEAN’s unity and centrality matter more than ever.

34. Malaysia is actively pushing for progress on the South China Sea Code of Conduct, upholding the Five-Point Consensus on Myanmar, and deepening ties with strategic partners in the GCC, Europe, the US, and beyond.
35. The recent **ASEAN–GCC–China Summit** have also positioned our region as a bridge between Asia, the Middle East, and beyond. This trilateral partnership offers an opportunity to combine **China’s tech and infrastructure capacity, the GCC’s energy and capital, and ASEAN’s market and industrial dynamism** into a new engine for growth and resilience.
36. **ASEAN’s true superpower is our unity, resilience, and pragmatism.** From the Asian Financial Crisis, to the pandemic, to the present day, has shown the world that collective action, trust, and shared purpose are the bedrock of our success.
37. This year, the **newly established ASEAN Geoeconomics Task Force, co-chaired by Malaysia and Indonesia, is now fully operational.** Its mandate: to provide **real-time economic analysis, scenario modelling, and coordinated policy recommendations** to help ASEAN

anticipate and mitigate economic risks, and where appropriate, turn them into opportunities.

38. Our Ministers, too, have reaffirmed an unwavering commitment to a rules-based multilateral trading system, with the WTO at its core. Our joint statements underscore a mature, forward-looking approach: ASEAN will respond to external shocks not with retaliation, but with deeper engagement, open dialogue, and collective solutions.

CALL TO ACTION: BUILDING ASEAN'S FUTURE—TOGETHER

Ladies and gentlemen,

39. Today, we do not just celebrate new frameworks and partnerships. Our legacy will be measured in the jobs we create, the businesses we build, and the lives we touch.
40. Let us lead by example by investing not only in assets, but in ideas, talent, and collaboration. Let us build cross-border, cross-sector partnerships that drive innovation and sustainable prosperity.

41. ASEAN is open for business. Malaysia is open for partnership. The work we do today will shape not just the next decade, but generations to come.
42. To all business leaders, investors, policymakers, and entrepreneurs in this room: **Let us be bold. Let us invest, innovate, and build ASEAN's next great leap, together.**
43. Thank you, and may this Forum be a launchpad for new ideas, new ventures, and lasting impact across our region.