

KEYNOTE SPEECH

11TH WORLD CHINESE ECONOMIC FORUM 2019

by Dr. Lee Boon Chye, Deputy Minister of Health Malaysia

12 December 2019 | Midtown Shangri-La, Hangzhou, China

The Hon. C.Y. Leung, Vice Chairman of the Chinese People's Political Consultative Conference (CPPCC)

Mr. Cheah Chyuan Yong, WCEF Chairman and Founder and Chairman of the International Strategy Institute (ISI)

Ladies and gentlemen,

Good morning everyone and I welcome all of you here today. I am honoured and privileged to be the Co-Chairman of the 11th World Chinese Economic Forum here in Hang Zhou with the theme “Realising the Vision of Shared Development for a Better World”.

I was made to understand that this is the 11th meeting of the World Chinese Economic Forum since 2009 and this yearly meeting has brought together China and the Chinese diaspora from 28 countries all over the world, especially along the BRI nations, to address issues on building a better world based on shared prosperity.

This initiative began right after the global economy was rattled by subprime mortgage crisis in the United States. China, the world’s second largest economy, provided the much needed ‘shock absorber’ to support global growth. It is an important engine of growth for the world economy. It fact since then, China has become the number one contributor of global economic growth. During the past 6 years from 2013 to 2018, the average annual contribution from China to global economic growth was a staggering 28.1%.

Ladies and gentlemen,

This great ancient city of Hang Zhou, has a long history of civilisation dated back 8,000 years. It is situated right at the southern end of the world oldest and longest man-made artificial river, the Grand Canal. The construction of Sui-Tang Grand Canal, which was the predecessor to today’s Grand Canal, by Emperor Sui-Yang-Di 1400 years ago was the main impetus which leapfrogged the development of Hang Zhou as a cosmopolitan city.

The Grand Canal waterway, which connects Yellow River in the north and Yangtze River in the south, allowed transportation of rice and other agricultural products from the fertile soil of the south to the Capital and military centres of the north. It makes Hang Zhou a major transportation hub. This illustrated our ancestors’ wisdom on the importance of connectivity in fostering development and prosperity.

Connectivity improves efficiency by lowering barriers to trade and linking global supply chains to demand. It fosters growth, it brings development and it creates wealth in areas and in communities where it serves.

In this new era of the connected world, hurdles to trade and connectivity go beyond transportation and infrastructure. Trade barriers may include tariffs, administrative, cultural and technological barriers. It is with all these in mind that we have this World Chinese Economic Forum to piggyback on the BRI and our shared cultural values and common ancestral origin.

Ladies and gentlemen,

The rise of populist nationalism, unilateralism and protectionism is reaching a tipping point which if unrivalled will threaten growth especially in the newly emerging economies. We should stand connected and united to uphold multilateralism, to maintain cooperation via international institutions. This serves to constrain opportunistic and predatory behaviour by superpower states to maintain their political and economic hegemonies.

We should uphold broader cooperation based on the principles of mutual respect, equality and shared prosperity.

Ladies and gentlemen,

My country Malaysia, has a population close to 33 million. We have a multilingual, multicultural and multi religious background.

We are a high middle-income nation with per Capita GDP of US\$11,264. Our external trade was US\$450 billion in 2018 and we are the 19th largest export economy in the world, despite our relatively small population.

We have come a long way in fostering trade and investment. In terms of ease of doing business, the World Bank Doing Business 2020 Report ranked Malaysia in 12th position amongst 190 economies worldwide.

Malaysia is a well-connected and open economy and the 2019 DHL Global Connectedness Index (GCI) report, which measures international flows of trade, capital, information and people, ranked Malaysia at 12th out of 169 countries for trade connectivity.

Our geographical location, our ports, our highways, railways and airports position us at the prime location as gateway to 650 million population of ASEAN.

Our multilingual, multicultural and multi religious background also enhance our integration with the international community and facilitate our trade with ASEAN and the world, including China, US, Japan, India and Middle East. Not only does Malaysia serve as a gateway to ASEAN but in fact to the rest of the world.

For example, Malaysia will be an ideal hub for you if you wish to trade with 1.9 billion Muslim population around the globe, who command an estimated US\$2.3 trillion in annual spending. Malaysia has established a standard, and also certification for 'halal' products, so our 'halal' products are most sought after by the Muslim community. We have 1,600 local companies exporting products with 'halal' certification to the rest of the world.

Next year will be an important year for Malaysia, as we will host the Asia-Pacific Economic Cooperation (APEC) 2020 summit. We also had enlisted 2020 as visit Malaysia Year with the theme 'Malaysia truly Asia'. We will showcase our rich cultural diversity and our beautiful nature with series of activities to welcome our international guests and tourists.

Ladies and gentlemen,

Malaysia and China had formal diplomatic relationship 45 years ago in 1974. We shared many things in common. Since then China's per capita income has multiplied almost 100 times to become a high middle-income nation. Over the same period Malaysia's per capita income grew 30 times to where it is today as a high middle-income nation at USD 11,264.

In China there is a famous saying about friendship and relationship, ie, "Within the four seas, we are all brothers" or 四海之内、皆兄弟也. In Malaysia, we also had another phrase which said: "We are brothers" and in our national language "Kita Abang-Adik". We also have another famous phrase which is "We all are in a family" or 我们都是家人.

Friendship is key in business. Over the years friendship between China and Malaysia has strengthened and this happened not just between Government to Government, but also between Business to Business and between people to people.

Bilateral trade between China and Malaysia has reached US\$100 billion and China has remained Malaysia's biggest trading partner for 10 consecutive years accounting for more than 20% of the trade volume of Malaysia.

The foreign direct investment (FDI) from China in Malaysia's manufacturing sector has more than quadrupled over the past five years, being the largest source of foreign investment in the industry for three consecutive years.

Tourist arrivals from China to Malaysia rose almost 30% year-on-year to 2.9 million in 2018, according to data from Malaysian Tourism Promotion Board, and the number of tourist arrivals from China ranked third, after those of Singapore and Indonesia.

The BRI has thus far brought further opportunities for China and Malaysia to broaden and deepen our cooperation.

Ladies and gentlemen,

Dr. Francis Fukuyama, a Senior Fellow and professor at Stanford's Freeman Spogli Institute for International Studies, expressed his concern about the rise of populist nationalism recently.

Even though I have great reservations, and I am sure many of you share the same, about his political philosophy as espoused in the book "The End of History and the Last Man" in 1992, I couldn't agree more with his worry about populist nationalism. He said in an article published in Credit Suisse Research Institute's "The Future of Politics" about populist nationalism:

"The last time this happened in the 1930s, the Great Depression was deepened and prolonged by punitive tariffs and competitive devaluations, while Europe eventually plunged into World War."

Even though Dr Francis Fukuyama believed that political elites in the advanced economies could mitigate some of the underlying drivers of populism.

However we should not leave our futures in the hands of the political elites of the rich nations. We should reject bullying in the name of nationalist populism, reject unilateralism and reject protectionism. We should however continue to stay connected to one another.

When walls and barriers are erected, we build bridges and we demolish barriers. We collaborate and not resist. We foster cooperation and not confrontation. We make friends and not enemies.

Connectivity is key. A well-connected world or community, at infrastructure, technological, administrative and cultural levels with minimal tariff will ensure mutual benefit and shared prosperity.

Relationship between nations need not be a zero-sum game. We can create wealth through cooperation even though we cannot make money without taking away from someone else. Wealth is created when we add value in each other's products through cooperation and collaboration. Wealth can be created without impoverishing others.

Let us work together based on the principles of mutual respect, equality and shared prosperity in "Realising the Vision of Shared Development for a Better World"

Thank you.