



**SPEECH BY  
PRIME MINISTER DATO' SERI ANWAR BIN IBRAHIM**

**AT THE APEC CEO SUMMIT  
"THE GLOBAL ECONOMY AND STATE OF THE WORLD"**

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**SAN FRANCISCO**

1. I am greatly honoured to address this assembly of individuals who are constantly pushing the envelope, motivated by that innate zeal to be on top of the game and, in the process, actively shaping the course of our economy.

2. In a global economic landscape threatened by the centrifugal forces that drive us away from the centre, I do believe APEC is our Rock of Gibraltar – regardless of what the detractors say!

Ladies and gentlemen,

3. Malaysia evolved from a primary sector-based economy to a significant partner in the global economy through open global trade and connectedness with the world. This did not occur by chance but through a concerted effort towards economic multilateralism.

4. Our performance in the 80s and 90s was remarkable as we rode the wave of the so called East Asian economic miracle. Although the financial crisis hit hard and we have endured a period of turbulent political transition, we have reached a turning point. The choices we are making today will put us back on a path towards exceptional growth and development.

5. In line with our national philosophy of Malaysia MADANI, we have set ambitious targets through a wholesale transformation of the country's economic engines. This is long overdue and imminently possible because our starting point is already strong.

6. Growth is not to be measured solely in terms of dollars and cents. The MADANI framework places emphasis on holistic values in the pursuit of equitable growth – compassion, respect and trust are lynchpins of this new agenda as much as innovation, prosperity and sustainability.

7. In this arena of healthy competition, with gravitas and, admittedly, a huge dose of economic audacity, we punch above our weight in global supply chains.

8. Indeed, in 2022, Malaysia's total trade value amounted to over 140% of our GDP, while we are the second most connected nation in Southeast Asia in terms of global value chain participation. <sup>1</sup>

9. It bears stressing that the world we live in underscores the fact that geographic boundaries do not limit supply chains but are a complex interconnected network that stretches across continents. Indeed, it is this connectedness that is both a hallmark and a great challenge of today's modern economy.

10. One of the cornerstones of Malaysia's success is our steadfast commitment to international cooperation and trade. We seek harmonious and collaborative relations with all nations. We continue to open our doors to the world, foster technological innovation and economic development, and enhance global human capital. Malaysia's active pursuit and participation in trade agreements such as the RCEP and CPTPP serves as a testament to our willingness to engage with the world.

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11. In this regard, the government of Malaysia has worked diligently to solidify our trade and bilateral engagement with regional allies. These measures range from a new special economic zone between Malaysia and Singapore to renewed commitment to energy and security cooperation with Japan to mention a few recent achievements.

12. I have urged our neighbours to embrace our shared destinies in Southeast Asia as members of one of the most vibrant and fast-growing economic regions. This translates to healthy competition for attracting investment while at the same time recognizing the comparative advantages which exist and that can be leveraged for the greater good. This also means more cohesiveness in addressing regional security issues.

13. But here's the rub: we cannot deny there is a troubling trend emerging in the global geopolitical landscape. We are shifting from cooperative, collective multilateralism to a fragmented, unilateral world. The intensifying rivalries among major powers are not just a concern for these larger nations but also have far-reaching consequences for smaller countries.

14. The consequences of this binary alignment can potentially plunge us into a state where many nations in the Global South feel they lack representation on the global stage. This imbalance could empower a few great powers to wield disproportionate influence and control over the decisions that affect the many.

15. As I alluded to earlier, there is an increasing inclination among great powers to form mini-lateral geopolitical groupings, side-lining the inclusive principles that underpin our vision for a prosperous and thriving world. At the risk of stating the obvious, this has the potential to divide the world into fractured configurations of geopolitical power that will reduce global opportunities for prosperity and cooperation.

16. Yet, even as Malaysia remains steadfast in its commitment to open global dialogue we operate against a backdrop of significant volatility in global trade dynamics and rising protectionist sentiment.

We find ourselves at a critical juncture. The traditional boundaries separating geoeconomics and geopolitics are becoming increasingly blurred.

17. In recent years, there has been a discernible shift towards protectionist policies in many countries, challenging the long-standing tenets of globalisation. We are witnessing the simultaneous bifurcation of global supply chains, a phenomenon sugar-coated in the description as “friend-shoring.”

18. And there is the concern that has become evident in the world of global trade – the push for de-coupling or "de-risking" from economic rivals.

19. This warrants a comprehensive examination of its potential outcomes. While the objective of de-risking often centres around strengthening supply chain resilience, it is important to acknowledge the multifaceted nature of such a transition.

20. Indeed, there may be some short-term benefits. But there are likewise considerable challenges to consider: shifts in production costs, global inflationary pressures, deteriorating bilateral relationships not to mention the disruptive impacts of climate change.

21. I do believe that it is here that APEC provides us an avenue to champion the cause of moderation. It is here where we advocate for all parties to prioritise trade and economic relations, ensuring that geo-economic competition does not overshadow our shared goals of prosperity and collaboration.

22. APEC can and must continue to play that pivotal role in fostering an environment conducive to trade that enhances networking, innovation, and global synergies. APEC must remain a platform where all nations come together to develop strategies that stimulate economic progress while maintaining the highest standards of cooperation and respect.

23. In the first year of leading Malaysia, I have visited nearly all the countries in East Asia as well as the Middle East and met with heads of state and business leaders.

24. The prevailing mood from North to South and East to West is anxiety about the gathering forces of a bi-polar confrontation of global proportions. Yet, at the same time there is a countervailing assertion from other quarters, Malaysia included, that ***it need not be so***. There is much hope that we can step away from the precipice.

25. In this vein, I am heartened by President Biden's comments upon his arrival in San Francisco yesterday. We welcome the renewed efforts to engage, reopen regular diplomatic dialogue and find ways to discuss and settle our differences in amicable ways.

26. Nevertheless, we must remember there are places in this world where blood is being spilt, where young lives are being extinguished by the thousands. Ongoing conflicts have significant implications for the global economy.

27. Be it the Russian-Ukraine conflict or the bloodletting in Gaza, the escalation of tensions has become a paramount concern. The humanitarian crisis in these areas is overwhelming.

28. As members of APEC, we are not isolated from the effects of these crises. In addition to the untold human suffering and political unrest, the repercussions are far-reaching, affecting our economies, disrupting trade, and posing threats to the stability that is crucial for our collective prosperity.



29. These are issues of utmost urgency. The challenges we face – be they economic, humanitarian, or environmental – require more than just words; they need decisive action, commitment, and a strong resolve. The international community is watching, and there are high expectations for our response and leadership.

30. Malaysia is committed to doing our part. In the first 12 months of my administration the government has moved quickly to articulate a policy agenda that unlocks the vast potential of our economy. We are engaging with our allies to find ways to work together to achieve our vision for mutual prosperity.

31. What has been announced - the National Energy Transition Plan, New Industrial Masterplan are historical in reorienting Malaysia's economy for the future - to untether us from the legacy of low-wage, low-skill, low-profit sectors. Malaysia has vast potential to move up the value chain in renewable energy, agriculture, semi-conductors and high-end manufacturing.

32. Our goals are ambitious: to be in the top 30 global economies by 2033 and top 12 in global competitiveness. We aim to increase female workforce participation to 60%.

33. We will achieve this while remaining fiscally responsible. When I was Finance Minister in the 1990s, we registered successive years of budget surplus. Although we have inherited an unenviable level of debt, it is my aspiration to achieve surpluses once again so that the country can make substantial investments in public goods to further unlock economic potential and uplift the lives of citizens.

34. The elephant in the room for Malaysia has been unfortunate, frequent, and sometimes catastrophic lapses in governance and accountability. I am proud to say that many holes have already been plugged - the elimination of direct tenders, public sector procurement reform, empowerment of law enforcement. I have stated clearly my zero-tolerance policy to members of the cabinet.

35. We are on track to raise Malaysia's ranking in the Corruption Perception Index, and I have stated our goal to be in the top 25 of this index within 10 years.

36. We have moved swiftly to resolve matters related to human rights and labour practices. And I am proud to report that after amending the Constitution to abolish mandatory death penalty earlier this year, the Federal Court on Tuesday commuted sentences of 11 death row inmates found guilty of drug trafficking.

37. Climate change and global sustainability are issues that impact us all. While the long shadow of geopolitics and geoeconomics surrounds us, we can all agree on one thing. The ecology of our planet is ailing and is becoming sicker each year.

38. We agree that weather patterns have become more erratic, and what were once considered once-in-a-lifetime events are becoming disturbingly frequent. But what we don't agree is that the onus should only fall on the Global South to bend backwards to show compliance while the richer nations do not honour their financial pledges. This is a sure-fire formula for failure. As the saying goes, it takes two to tango.

39. We must view climate change from the perspective of economic development, for we cannot talk about climate from the prism of poverty.

40. Let us be clear: the impending ecological crisis will exacerbate global inequalities. The most vulnerable will bear the brunt of these changes, deepening existing disparities between the haves and have-nots.

41. The wealth of nations needs to be shared, not on a platter of welfare aid and subsidies to the needy states without more, but as an enabler for the Global South's ability to adequately address the issues that threaten our world. In other words – preservation of the climate must go hand in hand with an abiding concern for the dignity and humanity for all.

42. Malaysia plays a crucial role in the preservation of our planet's most important carbon sinks, with over 55% of Malaysia's land area still adorned with lush tropical forests, we bear both the responsibility and privilege of being one of Asia's green lungs. Our rich biodiversity positions us as stewards of green growth and sustainability, and it is a role we take with utmost seriousness.

43. The National Energy Transition Roadmap, announced in August, is a watershed policy that heralds a new age of sustainable development. These initiatives aim to achieve net zero emissions as early as 2050, prioritising the use of cleaner energy sources, phasing out coal and embracing green

technology.

44. I dare say It is time for business leaders and captains of industry across the APEC region to up their game and enhance investment in these sectors, forging partnerships that can drive sustainable development while bolstering the global economy.

45. In this context, multinational corporations should adopt a more inclusive approach. Engaging with local partners and communities has become a critical component of sustainable growth. Such collaboration ensures that both global and local entities lay the foundation for sustainable and equitable progress.

Ladies and gentlemen,

46. With seismic changes underway, we have come to an inflection point. The choices we make today will ripple across the globe, shaping the lives of millions. As I said at the outset, APEC is not just a grouping nor a mere forum; it is an institution that provides a vibrant platform for action and progress where shared prosperity and innovation intersect.

47. Malaysia believes in the promise of the APEC Putrajaya Vision 2040. This vision for an open and thriving Asia-Pacific community aligns with Malaysia's own MADANI principles. By

embracing this shared vision, we can cultivate greater harmony and prosperity.

48. As interdependent APEC members, our collective potential is tremendous. Together, we can foster shared prosperity, spur innovation, and champion sustainability in the region and beyond. Malaysia calls on all member economies to help realise this uplifting vision. Let us move with courage and determination towards the immense possibilities of a brighter future, together.

Thank you.