

**LAUNCH OF JOINT REPORT ON  
“BELT AND ROAD INITIATIVE (BRI) AND SOUTHEAST ASIA”  
BY CIMB ASEAN RESEARCH INSTITUTE (CARI) AND LSE IDEAS  
AND ASEAN ROUNDTABLE SERIES PANEL DISCUSSION**

**KEYNOTE SPEECH BY  
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MINISTER OF ECONOMIC AFFAIRS**

**CIMB AUDITORIUM  
MENARA CIMB  
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**Yang Berbahagia Tan Sri Dr Munir Majid,**  
Chairman of CIMB ASEAN Research Institute;

**YM Tengku Dato' Sri Zafrul bin Tengku Abdul Aziz,**  
Group CEO of CIMB Group;

**Professor Christopher Coker,**  
Director of LSE IDEAS;

Distinguished Guests, Ladies and Gentlemen,

A very good morning.

1. First of all, I would like to express my appreciation for the invitation to launch the Joint Report on “Belt and Road Initiative (BRI) and Southeast Asia” by CIMB ASEAN Research Institute and LSE IDEAS.
2. I would like to take this opportunity to share with you some of the imperatives and policies of New Malaysia as well as some perspectives on China’s Belt and Road Initiative (BRI).

3. As you may well know, the Malaysian Parliament has been in active session debating the Mid-Term Review of the 11<sup>th</sup> Malaysia Plan tabled by Prime Minister Tun Dr. Mahathir Mohamad on October 18.
  
4. I can say with certainty that considerable thought has gone into it as we recalibrated our directions, priorities and imperatives to move the Malaysian economy forward.
  
5. Among the major strategic thrusts, of paramount importance, are ensuring long-term sustainable growth, people-centric programmes and holistic governance reforms.

Ladies and gentlemen,

6. The BRI had just passed its 5th-year milestone in September since the idea was mooted in 2013 by President Xi Jinping. The magnitude and scope of the multi-trillion US dollar BRI are unprecedented.
  
7. With a trade-related infrastructure network that spans across Asia, Europe and Africa, BRI involves more than 78 countries and a population of 4.4 billion people, accounting for a third of the world's GDP.

8. BRI has generated much interest and debate. It is being promoted at a time when ASEAN too is moving towards greater integration, with the formation of the ASEAN Economic Community.
  
9. The motivation for the regional connectivity agenda is also fueled by the rapidly increasing demand of the digital economy - which has the potential of adding US\$ 1 trillion to ASEAN's current combined GDP by 2025.
  
10. ASEAN has annual infrastructure needs of over US\$ 110 billion, that is, two to six times of historical annual expenditure on infrastructure.

11. BRI could help bridge the infrastructure and connectivity gap in ASEAN, and for Malaysia, it opens our doors to our ASEAN neighbours, and with that, to the rest of the world.

12. Indeed, Malaysia supports this vision of a connected ASEAN, and as a developing country and trading nation, infrastructure connectivity is of paramount importance to Malaysia so as to facilitate seamless movement of goods, services and people.

13. Notwithstanding the significant benefits of the BRI and ASEAN's connectivity agenda, Malaysia has to balance pressing national priorities and macro-regional growth.

14. For instance, to break out of our middle-income trap, Malaysia needs to move up the ladder of the Economic Complexity Index through greater diversification of the economy. In this regard, to be globally competitive, our economy must be as far along the technology and efficiency frontiers as possible.

15. If I may reiterate, major national policies are being reviewed to ensure Malaysia achieves long-term sustainability as we attain robust growth on the strength of our economic reforms.

16. In light of this, one major BRI project, the East Coast Rail Link (ECRL), has been put on hold pending comprehensive reevaluation. This holistic review should be seen in the context of the historically strong bilateral relations Malaysia has forged with China.

17. China is an economic giant with whom Malaysia has enjoyed enduring diplomatic relations since 1974, and has been our top trading partner since 2009.

18. Up until August 2018, total imports from China to Malaysia were at RM 116.9 billion, highest among all trading nations, and exports to China were recorded at RM 89.3 billion, also the highest among other countries.

19. As of 2017, it was estimated that the value of Chinese investments in Malaysia came up to a total of US\$ 134 billion. We certainly welcome investments from China, particularly FDIs that would bring capital, technology, value creation and jobs and skills transfer for Malaysians.

20. We are primed to propel our economy along the trajectory that is required of a globalised world. Therefore, high-tech and high-impact programmes will continue to be a matter of priority as we prepare ourselves for the challenges of the Fourth Industrial Revolution.

21. We are cognisant of the fact that the current US-China trade war will have economic repercussions, not just for the ASEAN region, but globally as well. Nevertheless, even as a smallish economy, Malaysia is strategically located in the ASEAN region and is well poised to exploit the various trade opportunities that may ensue from this current conflict.

22. In this regard, we will have much to gain from the Belt and Road Initiative and I would urge businesses and foreign investors to see Malaysia as a land of greater opportunities.

23. Indeed there are also geopolitical concerns stemming from the trade conflict. And we therefore, must reiterate the importance of Southeast Asia remaining a zone of peace, freedom and neutrality, and that the South China Sea be not militarised.

Ladies and gentlemen,

24. I concur with the notion in the report, that the BRI should not become a win for just one country, but instead a success for all - just as how President Xi has called the BRI project, “a road for peace”. This is an aspiration we share for Malaysia and ASEAN region.

25. I would like to congratulate CIMB ASEAN Research Institute and LSE Centre for International Affairs, Diplomacy and Strategy (IDEAS) for their joint efforts in producing this report titled "China's Belt and Road Initiative (BRI) and Southeast Asia". This report can be a future reference to scholars and policy makers alike.

26. With the notable line-up of contributors who are thought leaders in their respective fields, the report offers another evaluation on the much-debated project.

27. Finally, I wish you a productive panel discussion shortly - as the experts further dissect the issues with other interesting perspectives.

Thank you.