



**KEYNOTE ADDRESS**  
**YB DATO' SRI MUSTAPA BIN MOHAMED**  
**MINISTER IN THE PRIME MINISTER'S DEPARTMENT (ECONOMY)**

**(6<sup>TH</sup> EDITION) HIGH-LEVEL DIALOGUE ON**  
**ASEAN – ITALY ECONOMIC RELATIONS 2022**

**Wednesday, 6 July 2022, 9.00 a.m.**

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Honourable Sok Chenda Sophea, the Minister attached to the Prime Minister and Secretary-General of the Council for the Development of Cambodia;

His Excellency Massimo Rustico, the Ambassador of Italy to Malaysia;

Mr. Siva, Deputy Chief Executive Officer of the Malaysian Investment Development Authority (MIDA);

Mr. Carlo Ferro, President, Italian Trade Agency

Mr. Lorenzo Tavazzi, Partner, The European House–Ambrosetti;

Mr. Michelangelo Pipan, Executive Vice-President, Associazione Italia ASEAN;

Distinguished Government Officials and Business Leaders from ASEAN and Italy,

Members of the media, Ladies and Gentlemen,

Assalamualaikum warahmatullahi wabarakatuh. Good morning. *Selamat Datang* and Welcome to Malaysia!

1. It is my honour to welcome Government and corporate leaders from ASEAN and Italy, to the first physical High-Level Dialogue on ASEAN-Italy Economic Relations since the outbreak of COVID-19.
2. From what I understand, this is the 6<sup>th</sup> time that ASEAN and Italy has had such a dialogue. As we know, ASEAN and the EU also have a similar program, but it is good that Italy and a number of other ASEAN partners have striven for a closer relationship with the region. Looking around me today, this effort has certainly borne fruit in forging closer people-to-people ties between ASEAN and Italy.
3. ASEAN member states and Italy have longstanding economic relations. Today's event provides a strategic platform for businesses, thought leaders and policymakers to share their

expertise and insights, on how we can better work together to form an even closer relationship.

**Ladies and Gentlemen,**

4. Over the past few years, the world has seen a whirlwind of tumultuous events. In 2019, the onset of COVID-19 disrupted the global economy in a way unseen since the Second World War. In fact, speaking of war – just as soon as the world began to recover from COVID-19, a conflict has erupted between Russia and Ukraine – further complicating the global economy’s return to normalcy.
5. These are unprecedented times. A time of danger and uncertainty certainly – but also a time of great opportunity. All of us in ASEAN should take this window of opportunity to forge even closer ties with each other, and also with our friends outside the region – including of course, our Italian friends.

**Ladies and Gentlemen,**

6. ASEAN has a GDP of approximately 3 Trillion U.S Dollars and a population of 660 million dominated by a young workforce. According to the ASEAN Development Outlook (ADO) Report, the region will be the fourth biggest economy in the world by 2030 after the United States, China, and the European Union.
7. The region’s growth can be attributed to the business-friendly policies of all Governments in ASEAN, as well as to the cooperation

and teamwork that all of us have achieved together since the organization's inception in 1967.

8. For example, Cambodia, this year's ASEAN Chairman, has presented a total of 19 Priority Economic Deliverables (PEDs), aimed primarily to reinforce ASEAN unity and accelerate ASEAN economic growth. It is far-thinking policies such as these that have made the region an economic success. I congratulate Cambodia for its leadership this year. Meeting the 19 PEDs will surely put our region on track for economic recovery and growth.
9. As long as all of us work together, and implement the ASEAN Comprehensive Recovery Framework (ACRF), we will come out of this crisis stronger. The ACRF is key to maximizing the potential of the intra-ASEAN market as a means of economic recovery. An open ASEAN economy unafraid of seizing the opportunities presented by Free Trade Agreements, comprehensive economic partnerships and FDIs, will lead to a more prosperous and stronger ASEAN community.

**Ladies and Gentlemen,**

10. ASEAN's economy expanded by 3 per cent in 2021. This year, I think I speak for all of us when I say that the region will be able to maintain this growth momentum.
11. As it stands, the Asian Development Bank is forecasting ASEAN's GDP to expand by 5.2 per cent in 2022 and 5.3 per cent in 2023.

12. I am pleased to note that FDIs to the region grew for the third consecutive year in 2021, rising 19% to an all-time high of 619 Billion US Dollars. South East Asia is an area fast becoming the preferred investment destination of nations all across the world.

**Ladies and Gentlemen,**

13. At the moment, Italy is Malaysia's third largest global trading partner among EU Member States. Italian investments are generally perceived in Malaysia to signify quality investments that create quality jobs for locals.
14. This is due to the reputation Italy holds as a country which is home to a number of world renowned MNCs as well as being major exporters of luxury goods. For example, Italian companies in the fashion industry – including Prada, Gucci, and Salvatore Ferragamo to name just a few – are household names, especially among the affluent in South East Asia, as well as among our burgeoning middle class.
15. Besides that, Italian cultural exports, such as art, music, and football have only served to further solidify the good reputation that you enjoy in our part of the world.
16. Not to mention the role Italy has historically played in the development of parliamentary democracy and modern Government from the days of Ancient Rome.

17. Of course, Malaysia and Italy have always enjoyed a longstanding relationship. Diplomatic ties were first established in 1957 – the year of Malaysia’s independence.
18. Over the decades, our two countries have effectively cooperated not only in trade and business, but also in maintaining that more elusive relationship of enjoying genuine friendly people-to-people ties. It is this latter relationship that makes the former not only possible, but also more meaningful and longer lasting.

**Ladies and Gentlemen,**

19. ASEAN’s 45-year partnership with the European Union (EU) is as strong as ever. In a world where great powers are becoming increasingly competitive with one another – regional organizations of peace-loving nation-states such as ASEAN are sources of stability and neutrality in the world.
20. We should strive to increase the trading relationship between our two regions, as there is a lot of potential for cooperation where we can all mutually benefit.

**Ladies and Gentlemen,**

21. Malaysia would like to see more Italian investments in our country and in the region. There is no reason why Italy should stop at being only the third largest EU trading partner in Malaysia.

22. Malaysia is of course proud to be home to a number of Italian investments. For example, as of December last year, a total of 75 manufacturing projects with Italian participation (valued at 363.8 Million U.S Dollars) have been implemented across the country. This has created 4320 job opportunities for locals here at home.
23. In 2021, Malaysia recorded a significant 21.7 per cent growth in total trade with Italy. During the first four months of 2022, Malaysia's total trade with Italy has increased by almost 30 per cent to about 1.5 Billion U.S Dollars compared to the corresponding period in 2021.
24. Let me also note that Malaysian MNCs are also proud investors in the Italian economy. For example, Petronas is in automotive lubricants. It has a specialist fluid plant and R&D Centre in Turin. Going all the way back to 2006, KNM Group took over FBM Hudson Italiana.
25. We are looking forward to new and expanding investments from Italy, with a particular focus on new potential areas of growth such as machinery, automation, aerospace, green technology, food production, biotechnology, pharmaceuticals and other high technology industries, as well as digital investments.
26. Malaysia has made a commitment to achieve carbon neutrality by 2050, to promote ESG investments and to strive towards becoming a more circular economy. Of course, I believe we can learn a lot from our Italian friends on this. I note that earlier in February this year, the Italian Government amended their constitution to

explicitly include protecting the environment as a fundamental principle.

**Ladies and Gentlemen,**

27. Allow me to convey my sincerest thanks to the European House-Ambrosetti, Italia ASEAN and MIDA for organising and inviting me to speak at this high-level forum.
28. I am confident that today's event will foster deeper cooperation between Malaysia and Italy, as well as between ASEAN and the EU.
29. May we continue to work together in achieving greater economic prosperity for the citizens of all our countries.
30. I wish all of you a fruitful day ahead.

Thank you.