



KEYNOTE ADDRESS BY

**TUAN YANG TERUTAMA TUN DATO' SERI UTAMA
AHMAD FUZI BIN HAJI ABDUL RAZAK
YANG DI-PERTUA NEGERI PULAU PINANG**

FOR

**THE 2021 GLOBAL CHINESE ECONOMIC & TECHNOLOGY
(GCET) SUMMIT
“PROMOTING BUSINESS, CULTURAL & DIGITAL ECONOMY
COOPERATION AND DIPLOMACY”**

**16TH DECEMBER 2021 (THURSDAY), 9 AM
SHANGRI-LA RASA SAYANG, PENANG**

Bismillahirrahmanirrahim

Hon. Dato' Sri Ismail Sabri bin Yaakob

Prime Minister of Malaysia

Hon. Datuk Seri Ir. Dr. Wee Ka Siong

Minister of Transport, Malaysia

H.E. Ouyang Yujing

Ambassador of People's Republic of China to Malaysia

Tan Sri Lee Kim Yew

Founder & Patron, Global Chinese Economic & Technology (GCET)
Summit

Tan Sri Michael Yeoh

Organising Chairman, GCET Summit

Excellencies

Distinguished Speakers & Guests

Members of the Media

Ladies and Gentlemen,

Assalamualaikum warahmatullahi wabarakatuh and

Salam sejahtera.

1. I am pleased to join all of you here this morning for this Global Chinese Economic & Technology Summit (GCET) 2021.

2. I would like to convey my thanks to the principal organiser, KSI Strategic Institute for Asia Pacific and the co-organisers including the Golden Horse Digital Investment Bank and the China Development Institute (CDI) for this invitation to deliver the Keynote Address. The Summit's theme, "Promoting Business, Cultural & Digital Economy Cooperation and Diplomacy" speaks well to our aspirations today.

3. I am happy and proud that Penang is playing host to the GCET. I would like to bid a warm welcome to all participants, especially those who came all the way to Penang. As it has been noted, this event is timely as we have just commemorated the 30th Anniversary of the ASEAN-China Dialogue Relations. China remains an important economic and strategic partner to Malaysia and by extension, Penang.

4. Let me begin by speaking about Penang.

5. Penang is indeed well-positioned and poised to reap the benefits from our close relations with China.

Since the inception of diplomatic relations between Malaysia and China in 1974, Penang has been a recipient and beneficiary in various areas including trade, education, culture and tourism. Penang counts on China as one of its top trading partners especially in our semiconductor and electronics and electrical (E&E) industries. According to MITI, Penang attracted over RM 53 billion in approved investments in the manufacturing sector from 2016 until June 2021. This is a testament to Penang's world-class talent, business-friendly environment and our innovative economy.

6. I must say that Penang clearly punches above our weight despite our small population of only 1.8-million people, and a relatively tiny geographical size of just over 1,000 square kilometres of land area. According to the Department of Statistics Malaysia, Penang's economy accounts for 6.9% of Malaysia's GDP and 95% of it is driven by the manufacturing and services sectors. We command an estimated 5% of global semiconductor sales in 2019. Thanks to the visionary policies of the past, Penang's economy was transformed from a traditional port into the 'Silicon Valley of the East'. The establishment of Bayan Lepas Free Industrial Zone as the first Free Trade Zone in Penang drew massive investments from eight multinational corporations (MNCs), dubbed as "The Eight Samurai", such as Intel, Robert Bosch and AMD. This game-changer put Penang on the map as a regional electronics manufacturing hub.

Ladies and gentlemen,

7. As one of Malaysia's economic powerhouses, InvestPenang figures showed that Penang is home to more than 350 MNCs that are supported by over 4,000 manufacturing-related SMEs. Fortunately, we have managed to move our economy up the value chain, ranging from research and development and design and knowledge-based solutions, to global business service and Centre of Excellence activities. The proof is in the pudding. According to the Department of Statistics Malaysia, in 2020, Penang contributed close to 30% of Malaysia's total trade, amounting to more than RM500 billion, which is second only to Selangor, a major state in Malaysia. Penang contributed close to 70%, (to be exact 68%), of Malaysia's RM189.3 billion export of electronic integrated circuits and 45% of the nation's RM86.7 billion exports of other E&E products. It is worth mentioning, despite the pandemic and the repeated lockdowns, Penang's total exports continued growing in 2020 by 7% year-on-year to RM311 billion. This shows that our economic fundamentals are sound and strong. Be that as it may, we cannot rest on our laurels.

8. I believe Penang will, and must, continue to be globally competitive. We must be ahead of the curve. The Batu Kawan Industrial Park (BKIP) is one of these initiatives to bring Penang to the next level. The 1151-acre BKIP currently houses over 160 companies, both MNCs and local corporations such as Micron Technology Inc, Lam Research Corp, DexCom Inc, Simmtech Holdings Co Ltd, Vitrox Corporation Bhd., Pentamaster Corporation Bhd., Inari Amertron Bhd, and Greatech Technology Bhd. These companies are on the cutting edge of innovation and technological advances with many of them leveraging Fourth Industrial Revolution technologies such as artificial intelligence, cloud computing and 5G. With easy access to the airport on the island through the Penang Second Bridge, the BKIP will complement Bayan Lepas Free Industrial Zone. With an ecosystem of investors, academic institutions, government and private sector, both these industrial zones will create an Innovation Supercluster, similar to superclusters in Canada and Silicon Valley in the U.S. that will be pivotal for Penang's future. To all investors and businesses in this room, I say to you, Penang is definitely open for business.

Ladies and gentlemen,

9. As I have mentioned, Penang has come a long way, and I believe the secret weapon to Penang's success is in our people. As you would know, Penangites are multiracial, multicultural and multifaith - and we are very proud of our diversity. We embrace diversity as our strength. Our community was shaped by centuries of rich history from the founding of modern Penang by Francis Light in 1786 and our subsequent growth as an entrepôt in the 19th century. The migration of the Chinese and Indian diasporas into Penang, to live in harmony with the local Malay community, not to mention the Eurasian and Siamese communities, has made it a vibrant community that we have today. This melting pot of ethnicities and cultures is reflected in our heritage and architecture. It is no wonder why George Town became an UNESCO World Heritage Site in 2008. Diversity was, is and will always be our strength as we navigate through the uncertain and ambiguous 21st century.

10. Now let me touch on Penang and China.

11. Penang and China have a special relationship. In fact, Penang played an important role in the founding of the Chinese Republic as Dr Sun Yat-sen, the founder of modern-day China spent a number of years in Penang. The place where Dr Sun resided in is now the Sun Yat-sen Museum. Interestingly, Dr Sun and his supporters launched the first Chinese daily newspapers, Kwong Wah Yit Poh in December 1910, which still operates until today.

12. The people-to-people relations between Penang and China are indeed strong. It is worth noting that the Penang Island City Council is already a sister city with Xiamen (Zee-ay-muhn) in China. Penang and Xiamen have many similarities such as the culture, the Hokkien dialect and even the architecture. I am grateful for the support from Xiamen and the Chinese Consulate-General here in Penang for providing us with over 10,000 units of N95 masks during the outbreak of the COVID-19 pandemic last year. I hope through the Penang Xiamen Friendship Association, we can deepen our collaboration in business, cultural and digital economy. I am confident we can explore many opportunities together with events such as GCET.

13. The relationship between Penang and China goes further, with Friendly City Cooperation between George Town, Penang and China's City of Zhongshan, (Jongshan) as well as Friendly Cooperative Relations between The City Council of Penang Island and China's Chengdu Municipal People's Government. Among the area of interest are cooperation in the fields of tourism, culture, food, education and information sharing. I believe events such as this Summit would provide a good opportunity for Penang to deepen our collaboration.

14. As the world begins to gradually reopen following the COVID-19 pandemic, our tourism sector has a lot to offer the world. Penang is a top tourist destination for local and international visitors alike. We have beautiful and interesting places such as Penang Hill, Kek Lok Si Temple, Fort Cornwallis and Clan Jetties. I am proud to say that Penang is the unofficial capital of Malaysian cuisine. In addition, Penang has been recognised by the Malaysia Healthcare Travel Industry Blueprint 2021- 2025 as being the "most established state in healthcare travel". We have a strong reputation for our medical tourism with its affordability, abundance of facilities and high quality services. Although the pandemic has affected our tourism industry somewhat, I am confident that we can recover with the gradual opening now taking place.

15. The Digital Penang Plan can also benefit from closer cooperation with China's technology giants which play a key role in shaping our digital future. I call for greater collaboration in digital technology cooperation between Penang and China. The theme of today's summit on promoting digital economy cooperation is therefore most apt and timely.

Ladies and Gentlemen,

16. It would be remiss of me if I do not touch on the special relationship between ASEAN and China. Over the years when I was the Secretary-General of the Ministry of Foreign Affairs Malaysia, I had witnessed many momentous occasions. It is particularly exciting to see the growth of relations between China and ASEAN. Indeed, of all Dialogue Partners, China has been most proactive in coming out with new initiatives to further enhance China-ASEAN cooperative relations. It is certainly most encouraging to see such relations that was established thirty years ago, being upgraded to a comprehensive strategic partnership for peace, security, prosperity and sustainable development.

17. Our region's close relations with China has borne fruits. Trade between China and ASEAN has skyrocketed by 85 times since the two sides established their dialogue relations in 1991, according to Chinese sources. Since 2009, China has remained ASEAN's largest trading partner for 12 consecutive years. Correspondingly, ASEAN and by extension Malaysia, has become China's biggest trading partner. In fact, in the first half of this year, bilateral trade between China and ASEAN continued robust expansion, registering a year-on-year growth of 38.2 percent. Meanwhile, as of June of 2021, mutual investment between China and ASEAN exceeded USD\$310 billion.

18. It is indeed an exciting time for our region. Last year, the Regional Comprehensive Economic Partnership (RCEP) was formally signed. The 15 RCEP countries make up one-third of the world's 7.7 billion people as well as one-third of the world's GDP. RCEP is, by far, the world's largest trade bloc in history. With the signatories of six of the ten ASEAN and four out of the five non-ASEAN signatories namely, Australia, China, Japan, Korea and New Zealand, we look forward to this free trade agreement coming into force on January 1, 2022.

19. Beyond economic cooperation, China has been a strong ally of the region, especially during the pandemic. As of October, China had provided ASEAN member states with over 300 million doses of COVID-19 vaccines and a large quantity of emergency medical supplies. Additionally, China has been sending teams of medical experts to help build virus-testing labs and work on vaccine trials with several ASEAN countries.

20. We welcome the China-ASEAN Comprehensive Strategic Partnership, which was announced during the recent China-ASEAN Special Summit to Commemorate the 30th Anniversary of ASEAN-China Dialogue Relations held on 22 November 2021. We also welcome China's President Xi Jinping's commitment to provide USD\$1.5 billion in post-pandemic development assistance and economic recovery over the next three years. This is on top of the Belt and Road Initiative (BRI) which have benefitted the region. I echo President Xi's words of reaffirmation to ASEAN: "China was, is, and will always be a good neighbour, good friend, and good partner of ASEAN".

21. These are indeed reassuring words. We look forward to their unshaken fulfilment. It is our sincere hope that future relations between China and ASEAN would be brighter, with all stakeholders in ASEAN and China taking the extra efforts, to move toward to developing a closer China-ASEAN community, with a shared future, and in making the region and the world even more prosperous.

Ladies and Gentlemen,

22. We are truly living in interesting and exciting times. Only three years ago, we were talking about technological disruption with the advent of the Fourth Industrial Revolution, political polarisation caused by populism and climate change. Then, this Black Swan or once-in-a-century event took the world by storm: COVID-19. Its impact is and will be long-lasting on the way we live, work and play. The future, it would seem, continues to be unpredictable and challenging. What is important is for us to be always prepared to tackle these challenges head on.

23. As we look into 2022 and beyond, I am optimistic that Penang and Malaysia will bounce back better. We have overcome various crises since our Independence and always come out stronger on the other side.

Our country is resilient and has been proven to absorb shocks as they come. However, the reality is we are not out of the woods yet. COVID-19 is not over. In fact, it is probably here to stay and we will need to live with it as an endemic. We cannot go back to business as usual. Thus, it is incumbent on the government, private sector and civil society to adapt to these changing times.

24. On that note of cautious optimism, I would like to once again welcome all of you to this Global Chinese Economic and Technology Summit. I look forward to hearing creative ideas and inputs from the speakers and panels as I believe it will be important for Penang to learn from others on how we can do things differently, for the better. Once again, my thanks to KSI Strategic Institute for Asia Pacific as the organiser and the co-organisers for holding the Summit in Penang. I wish all of you a fruitful Summit and May God bless us all.

Thank you.

Wabillahitaufig Walhidayah,

Wassalamualaikum Warahmatullahi Wabarakatuh.