

**SPECIAL ADDRESS BY MINISTER OF TRANSPORT MALAYSIA
THE HONORABLE DATO' SRI LIOW TIONG LAI**

**9TH WORLD CHINESE ECONOMIC SUMMIT (WCES)
“MANAGING GLOBAL UNCERTAINTY:
EXPLORING NEW OPPORTUNITES”**

**MONDAY, NOVEMBER 13, 2015
ISLAND SHANGRI-LA HOTEL, HONG KONG**

Your Excellencies,

Distinguished guests,

Ladies and gentlemen,

INTRODUCTION

1. It is a pleasure to be back here at the World Chinese Economic Summit (WCES) again.
2. This Summit presents an excellent platform for us to share views, as well as hear from distinguished international and regional personalities.
3. I am also delighted for the chance to rekindle old friendships with some of my fellow speakers here.
4. Looking back, when I last addressed this august Summit a couple years ago, we were on the brink of a monumental new initiative.
5. At the time, China's One Belt One Road initiative already held boundless promise for economic growth and integration.
6. Two years on, that promise is now becoming a very strong reality.

7. Regional connectivity is increasing across Asia and Europe, ushering in new opportunities in the form of trade and investments.
8. While we cannot deny that global uncertainties underscore the current geopolitical and economic climate worldwide, the fact remains that Asia is poised for growth.
9. Indeed, compared to the World Bank's global growth projection of 2.7%, Asian nations are expected to grow at a higher rate in 2017. For example:
 - 9.1. Malaysia has been forecasted to grow at 5.2%
 - 9.2. Meanwhile, China's growth is projected at 6.7%
10. Clearly, there is great potential for this region to accelerate further.
11. My friends, I have said this before, and I would like to maintain: this is the age of Asia.

TRANSPORT INFRASTRUCTURE & LOGISTICS

Distinguished guests, ladies and gentlemen,

12. There is no doubt that transport infrastructure is crucial towards promoting increased connectivity across nations.
13. It is a key enabler that will certainly open up fresh opportunities for businesses.

14. In particular, developing economies in Asia stand to benefit greatly, as market expansion and the formation of new networks encourage more inter-trade.
15. Furthermore, enhanced transport infrastructure will pave the way towards a stronger logistics sector, which in turn is the backbone of a nation's economy.
16. With these factors in mind, the Malaysian Government and my Ministry of Transport are focused on developing Malaysia's logistics sector, and growing the logistics partnership within ASEAN, China and Asia Pacific nations.
17. We are committed to creating a seamless, integrated and interconnected network across land, aviation and maritime transport networks, including railways, airports and seaports.
18. It is our aim to develop an efficient, productive and business-friendly environment as we transform Malaysia into a logistics hub within the region.
19. As a matter of fact, in the World Bank's *Doing Business Report 2017*, we were ranked 23rd for ease of doing business out of a total of 190 economies.
20. With our transport network and logistics sector gradually improving, I am confident Malaysia will eventually be able to rise in these rankings.

DIGITAL ECONOMY & INDUSTRIAL REVOLUTION 4.0

Distinguished guests, ladies and gentlemen,

21. I am sure you will agree with me that the advance of the digital economy represents a significant global disruption.
22. We have entered the fourth Industrial Revolution.
23. In this era of artificial intelligence and the Internet of Things, there is a shift on a major scale in how we as a society live, work, educate and do business.
24. This is a digital world that can offer us even more opportunities, with even greater productivity and efficiencies, but only if we are alert, prepared and willing to adapt.
25. One such example is that of e-commerce.
26. E-commerce may not be a “new” invention, but it has now achieved a significantly stronger footing, becoming the norm in developed and emerging markets.
27. Business communities must be ready for such avenues of growth, and leverage onto these opportunities as they arise.
28. Again, we can look to China as a leading e-commerce player.
29. On the world stage, China’s mode of cashless payments has advanced far beyond any other country.

30. As the largest e-commerce market in the world, China has set the benchmark as innovators and growth drivers.
31. Last year, total online shopping transactions reached RMB100 billion in just 22 hours during China's annual Singles Day sales.
32. This year, that record was broken, as sales surpassed RMB100 billion in a mere nine hours.
33. Alibaba has become a renowned brand as the world's largest online retailer.
34. This is why just a few weeks ago, Malaysia has launched our Digital Free Trade Zone (DFTZ) with Alibaba Group and Jack Ma.
35. Located in the KLIA Aeropolis, the DFTZ will consist of two components:
 - 35.1. e-Fulfillment Hub
 - 35.2. e-Services Platform
36. It will facilitate and enable SMEs to capitalise on the opportunities brought about by this digital economy to tap onto greater cross-border trade.
37. The DFTZ will also serve to enhance processes and accelerate end-to-end turnaround time for cargo, such as:
 - 37.1. Optimising border clearance and handling from 6 hours to 3 hours
 - 37.2. Improve Cargo Terminal Operations from 4 hours to 90 minutes
38. These upgrades will in turn spur volume growth.

39. As I mentioned earlier, Malaysia is focused on growing our logistics industry, and the DFTZ is also a major contributor towards creating new opportunities for this sector.
40. It is integral to Malaysia's journey to becoming a regional e-commerce hub.
41. SMEs will benefit from a wide range of support services for trade through the DFTZ.
42. One such benefit includes the launch of the Malaysian Pavillion on Alibaba.com, which will make Malaysian products available to interested buyers around the world.
43. On the whole, the DFTZ is expected to increase SME goods export to USD38 billion and create over 60,000 jobs.
44. We are wholly confident that the DFTZ will transform Malaysia into Asia's leading transshipment hub by 2025, moving USD65 billion worth of goods.
45. Moving forward, we will see a greenfield development of over 60 acres to be jointly developed by Malaysia Airports and CAINIAO Network, the logistics arm of Alibaba.
46. This mutually-beneficial collaboration with Alibaba simply marks the beginning of what I am sure will be a long-standing partnership as we embrace the digital economy.

PEOPLE-TO-PEOPLE BONDS

Distinguished guests, ladies and gentlemen,

47. The 21st century is a century of integration for the Chinese community. We see unprecedented connectedness amongst the global Chinese community in this century than ever before.
48. Today, this strong connectedness has brought greater synergies in intra- and inter-regional collaboration. Businesses have flourished through such linkages. In Malaysia, this has benefitted not only the Chinese community but also other nationalities in the country.
49. Multiculturalism has long been part and parcel of Malaysian life.
50. It is this multi-racial heritage that has placed us in a uniquely-qualified position to form mutually-beneficial partnerships with our neighbours and allies around the region and the world.
51. Indeed, there is now a visibly growing interest from international communities to learn and understand Chinese culture.
52. In Malaysia, we are one of the few multiracial countries in the world to emphasise the importance of having a Chinese-stream education, via our National Chinese primary and secondary schools.
53. These schools, which are open to students of any race, allow our younger generation to gain a multi-lingual education at an early age.
54. I am pleased to inform that today, Malaysian expats are in high demand particularly from the Chinese diaspora.

55. Growing cultural and academic exchanges between countries, has improved understanding of the way of life and manner of doing business in different countries. From this understanding, our institutions of higher learning and training platforms have been able to deliver better quality human capital for a global setting.

RESHAPING THE FUTURE

Distinguished guests, ladies and gentlemen,

56. The world is changing rapidly, and people-to-people bonds are increasingly central to reshaping the global value chain.

57. The close ties we create across communities worldwide can often lead to valuable insights which facilitate strong business decisions.

58. In turn, it is often these ties that will see the formation of solid business partnerships and encourage greater cross-border investments.

59. Malaysia looks forward to building strong, collaborative relationships with our fellow Asian nations, as well as around the globe.

60. It is heartening to have international events and summits such as the WCES to inspire us to think deeper and work harder towards achieving economic integration.

61. My thanks and congratulations go to the Asian Strategy & Leadership Institute for organising yet another successful Summit this year.

62. I urge all of you here today and tomorrow to seize the initiative and leverage the opportunities that come about in this era of connectivity.
63. I hope the panels, discussions and sessions throughout these two days will prove to be fruitful for all participants.
64. Thank you.