

SPECIAL KEYNOTE ADDRESS

BY

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The 9th World Chinese Economic Summit 2017

“Managing Global Uncertainty: Exploring New Opportunities”

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Island Shangri-La Hotel, Hong Kong

“ENGAGING AND MOBILISING THE BRI FOR PROSPERITY AND GROWTH”

[SALUTATION]

The Hon. C.Y. Leung/

Vice Chairman, China People's Political Consultative Conference (CPPCC) /
Former Chief Executive of the Hong Kong Special Administrative Region//

Tan Sri Dr. Jeffrey Cheah/

AO/Chairman of ASLI//

Tan Sri Dato' Dr. Michael Yeoh/

Chairman/ World Chinese Economic Summit (WCES) &
Chief Executive Officer/ Asian Strategy & Leadership Institute (ASLI)//

Tan Sri Lee Kim Yew/

Patron/ World Chinese Economic Summit (WCES)//

Excellencies//

Distinguished Speakers and Guests//

Ladies and Gentlemen//

A very good evening to all//

1. First of all/ I would like to thank the Asian Strategy & Leadership Institute (ASLI) for inviting me/ to deliver the Special Keynote Address/ at this 9th World Chinese Economic Summit held in Hong Kong//
2. I wish to commend and **kon-gre-tu-late (congratulate)** ASLI/ for organizing this Annual Series of World Chinese Economic Summit for the 9th year// It is indeed an honour to be here this evening among the distinguished speakers and guests//
3. Malaysia and China have enjoyed a strong and **ro-bas** (robust) 43-year relationship/ ever since the country became the first in Southeast Asia to establish diplomatic relations with China in **nineteen seventy-four (1974)**//

4. China is now Malaysia's largest trading partner and largest foreign investor/ **wah-yails (whilst)** Chinese tourists are the largest single tourist arrivals in Malaysia//
5. The regular exchanges of high level visits between the two countries further deepen our bilateral relations// Hong Kong has signed the Free Trade Agreement (FTA) with ASEAN/ and we welcome Hong Kong as a key investor for ASEAN//
6. Much have been said about the Belt and Road Initiative or BRI since it was unveiled in **twenty thirteen (2013)**// It has also been often mentioned that the Marshall Plan was a precedent for what is being attempted in the Belt and Road Initiative//
7. In fact/ the BRI is about development / not reconstruction, unlike the Marshall Plan. Another significant difference is that the Marshall Plan covers a limited geographical scope//
8. It was conceived and executed/ in the very specific political context of the US's ideological and geopolitical competition with the Soviet Union in post-war Europe// Hence/ the BRI is not quite the same as the Marshall Plan, both in terms of purpose as well as scope//

9. By its widest definition/ the Belt and Road Initiative will directly involve 65 countries/ 4.4 billion people/ and **twenty-nine percent (29%)** of global GDP (2.1 trillion US Dollar)//
10. The initiative is backed by the New Silk Road Fund// The Fund commits a total capital of 40 billion US Dollar which shall be made in instalment//
11. The first instalment of 10 billion US Dollar is composed of 6.5 billion US Dollar/ contributed by the State Administration of Foreign Exchange of China/ 1.5 billion US Dollar by China Investment Corporation/ 1.5 billion US Dollar by Export-Import Bank of China/ and 500 million US Dollar by China Development Bank// In the past four years/ the Fund has made 4 billion US Dollars of investment//
12. The economic logic of connectivity/ on a trans-continental scale **en-vi-saj (envisaged)** by the BRI is strong/ particularly at a time when globalisation appears to be in retreat in the face of rising **protect-syen-nism (protectionism)**/ and economic nationalism in the West//
13. The slow and **stat-te-ring (stuttering)** recovery of the global economy from the 2008 crisis/ and its **di-mi-nish (diminished)** prospects/ mean that the world needs new **im-pe-te-ses (impetuses)** to growth// The BRI could certainly be one//

Ladies and Gentlemen//

14. Let there be no doubt/ that the initiative has been welcomed by most countries within its geographical scope/ including Southeast Asian (SEA) states// For Southeast Asia (SEA)/ this initiative could be a significant source of funding for the governments in the region/ to develop their infrastructures//
15. According to a report by the Asian Development Bank/ the Southeast Asian states will need approximately **two thousand/ seven hundred/ and fifty nine billion US Dollar (US\$ 2,759 billion)**/ which is equal to 5% of their GDP/ for infrastructure investment between **twenty sixteen (2016)** and **twenty thirty (2030)**//
16. Access to Chinese investments through the BRI/ is therefore valued by the Southeast Asian countries/ especially when funding through private investors and international financial institutions remains limited/ and falls short of the region's demand//
17. Moreover/ as poor and **ob-so-lit (obsolete)** infrastructure continues to impede the economic growth of ASEAN countries/ new infrastructure projects funded by the BRI may help to promote their economic performance//

18. At the regional level/ Chinese investment into infrastructure development/ may also be useful for the development of the ASEAN Economic Community (AEC)/ given that improving infrastructure connectivity is a key component of the AEC project// Improved infrastructure/ including highways/ airports/ seaports/ and rail systems/ will also facilitate intra-ASEAN trade and tourism//
19. The Belt and Road Initiative/ will help ASEAN/ to actualize its Master Plan/ on ASEAN Connectivity/ particularly in the area of transport connectivity/ especially in road/ rail/ and sea connectivity//
20. Chinese participation/ in the construction of new ports in ASEAN countries/ and Chinese participation in railway projects/ in several ASEAN countries will **a-se-le-rate (accelerate)** this connectivity// Digital connectivity is another area/ where the BRI can facilitate ASEAN Connectivity//
21. Promising as it may be/ the BRI/ also faces certain challenges in Southeast Asia// Some countries/ while looking forward to the BRI/ are cautious at the same time/ because of the difference in the economic scale/ between China and the other countries/ as well as the changing geopolitical landscape/ the initiative might bring//
22. The perceived expansion of China's geopolitical power/ could further spur/ major power contests for primacy// Some countries in the region/ may be uncomfortable with China/ seeking to define its

regional relationship/ in the context of competition with other major powers//

23. Speaking about changing geopolitical landscape/ in the region South China Sea/ would come to the forefront of the discourse// While countries continue to have differing views/ on certain matters/ relating to the South China Sea/ a number of important consensus/ have been achieved// Amongst others/ these include the need/ to maintain peace/ security/ and stability/ and uphold freedom of navigation in/ and overflight above the South China Sea//
24. More recently/ ASEAN Member States and China/ have adopted the Framework for the Code of Conduct/ paving the way/ for an early conclusion of the negotiation/ towards establishing the Code of Conduct//
25. The dilemma for the ASEAN countries is that/ while remaining **skep-ti-ke** (**sceptical**) about whether the Maritime Silk Road can make use of proximity and **kon-ti-gui-ti** (**contiguity**)/ by land as well as sea to foster mutually beneficial ties/ or whether the Maritime Silk Road will unnecessarily **tilt** the geostrategic balance in the region/ they do not want to miss the BRI bus/ that promises opportunity/ to fill critical gaps in their infrastructure/ and bring **im-mens** (**immense**) benefits//

26. For instance/ the Master Plan on ASEAN Connectivity twenty fifteen (20150/ which seeks to expand/ the region's railway networks has seen very little progress in execution/ due to the economic situation//
27. This is where/ China's role will come into play// The BRI offers the much-needed investment for connectivity-related infrastructure construction//
28. One way out of this **pre-di-ke-men (predicament)**/ will be for ASEAN to speak in one voice/ and ensure that the implementation of the Maritime Silk Road/ would further strengthen the **ko-re-le-syen (correlation)** between China-ASEAN economic interdependence//
29. Mere **fe-si-le-te-syen (facilitation)**/ without addressing the importance of making the **deepening** economic integration/ and growing interdependence inclusive/ cannot drive trade flow upwards//
30. Mutual growth and prosperity/ that result from the BRI and economic interdependence/ can arise only if Beijing is able to **re-a-sure (reassure)**/ and dispel the deep-rooted fear among the Southeast Asian countries that it has no plans that go beyond building roads/ laying railways/ upgrading ports/ and boosting trade//

31. The **re-a-sure-rens (reassurance)** from China of its peaceful intention/ would be greatly beneficial to the success of BRI// Implementing the belt and road agenda will therefore/ require a high level of mutual cooperation, understanding and trust//

Ladies and Gentlemen//

32. The Belt Road Initiative/ is an ambitious and long-term// BRI can serve/ to reinforce sustainable development in Asia and the Pacific/ but only if the infrastructure developed under it **kon-fom (conforms)** to sustainable principles//

33. The economic and social implications of BRI are **vas (vast)**/ as it will cover more than 60 countries/ which are collectively responsible for one-third of global economic output/ 40% of global trade and home to some 60% of the world's population// With more than half of the global poor located in BRI focused countries/ the development of connectivity in this belt will help reduce poverty//

34. Asia and the Pacific economies have embraced BRI/ and if effectively implemented/ will surely help **mitigate** the impacts of global uncertainties/ and a **kon-flu-ens (confluence)** of macroeconomic and financial market **val-ne-re-bi-li-tis (vulnerabilities)** on our region/ while also promoting sustainable regional growth//

35. BRI also has the potential to address widening regional and domestic infrastructure deficits/ created by rapid urbanization and a growing middle class/ which have contributed to rising inequalities//
36. Connectivity, the core priority of BRI/ is an enabler of development// BRI plans to catalyse regional and intercontinental connectivity/ through large scale investments/ which harness sustainable solutions//
37. This will help Asia and the Pacific/ deal with shared socio-economic and environmental regional **val-ne-re-bi-li-tis (vulnerabilities)**/ while also enhancing the region's growth and productivity//

Ladies and Gentlemen//

38. There is much that the BRI can offer us in Asia and the Pacific// It is up to us/ as the major stakeholders in our own economy/ to shape the impacts yield by appropriately **a-ses-sing (assessing)** both its benefits and risks//
39. Let me end by once again/ **re-ite-re-ting (reiterating)** my Government's continued appreciation to the Chinese community in Malaysia// Malaysian Chinese have contributed much to the economic development of Malaysia over the past 60 years/ since we became an independent nation// Malaysian Chinese have participated in all areas

of life in Malaysia/ and have excelled in all **se-fhi-ers (spheres)** of activities//

40. I know that the WCES also connects the Global Chinese Diaspora// I would like to invite the Global Chinese Diaspora to invest in Malaysia// Likewise/ I hope more investors from Hong Kong/ will also consider Malaysia as an investment destination/ and use Malaysia as a springboard to other countries in ASEAN/ especially with the signing of the ASEAN-Hong Kong FTA// We can be your **fool-krum (fulcrum)** to the ASEAN market of 620 million US Dollar/ with a combined GDP of 2.3 trillion US Dollar making ASEAN/ the 7th largest economies in the world!//

41. Last but not the least/ I would like to extend my congratulations/ to the **re-si-pi-ens (recipients)** of the World Chinese Lifetime Achievement Awards/ to be given out later tonight//

Thank you//