

OPENING KEYNOTE SPEECH BY TAN SRI ABDUL WAHID OMAR
CGS-CIMB MALAYSIA CORPORATE DAY 2024: Elevating Malaysia's Position on the Global Map
3 January 2024

OPENING

Bismillahirrahmanirrahim

Yang Berusaha Puan Azizah Mohd Yatim
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Distinguished Speakers and Panellists,

Leaders of Corporate Malaysia,

Ladies and Gentlemen.

Assalamu'alaikum warahmatullahi wabarakatuh and a very good morning.

1. Let me begin by thanking CGS-CIMB for inviting me to deliver the keynote address at this 'curtain raiser' equities market event for 2024. I believe it is not too late to wish everyone Happy New Year. May 2024 be a better, healthier, more prosperous, successful and fulfilling year for all of us.
2. 2024 is also a significant year for me personally as I reach the official retirement age of 60, four months later than Malaysia if you take 16 September 1963 as Malaysia's formation or birth date. Unlike the average Malaysian male who has a life expectancy of 72.5 years (based on DOSM's 2023 data), Malaysia at 60 is relatively young, being the 83rd youngest country out of 192 countries in the world. This means great potential lies ahead for Malaysia.
3. Given the title of the address is Elevating Malaysia's position on the Global Map, please allow me to cover four areas in my address:-
 - I. Where we are positioned today in terms of economy, trade & investment, global competitiveness, capital markets and Islamic economy & finance;

- II. Some comments on the Malaysia MADANI Economy Framework medium term targets in terms of economic ranking (top 30), global competitiveness (top 12), human development index (top 25) and corruption perception index (top 25);
- III. What it takes to elevate Malaysia's position globally – with particular emphasis on Malaysia's 'unique selling proposition' in Sustainability and energy transition, Livability, innovation and creativity, food production or security and Islamic economy & finance; and
- IV. Bursa Malaysia's role in supporting and enabling Malaysia to achieve the stated goals.

Section 1: Where We are Positioned Today in terms of Economy

Ladies and Gentlemen,

4. Since gaining independence in 1957 and the formation of Malaysia in 1963, Malaysia has undergone a remarkable economic transformation, shifting from initial reliance on primary industries and mining to a nation with thriving manufacturing and service sectors.
5. We have greatly diversified our economy over the decades. Between 1996 and 2021, Malaysia's rank in the Economic Complexity Index rose from 54th position to 24th. This propelled Malaysia's average long-term real Gross Domestic Product ("GDP") growth to 4.4% between 2011 and 2022, outpacing the median GDP growth for both regional and A-rated countries at 3.6% and 2.9%, respectively.
6. The International Monetary Fund ("IMF") in its most recent World Economic Outlook report, has projected a slower global GDP growth from 3% in 2023 to 2.9% in 2024, amid the possible further slowdown in China's economy, volatile commodity prices stemming from risks of extreme climate and geopolitical shocks, as well as subdued global financial conditions. Notwithstanding the global growth outlook, the outlook for ASEAN appears more bullish, with ASEAN-5 countries' GDP is expected to grow at a faster pace of 4.5% in 2024, compared to 4.2% in 2023.
7. Domestically, Malaysia's GDP growth is expected to be firmer at median consensus real GDP growth of 4.5%, up from the estimated 4.0.% growth in 2023. This growth is underpinned by resilient consumer spending, sustained private and infrastructure investment momentum, plus recoveries in trade-

related services and manufacturing industries, namely tourism and electronics.¹

8. While Malaysia is only ranked 36th in terms of global GDP, the figure only scratches the surface of the dynamism coursing through our veins. The true narrative of Malaysia's economic strength is not contained in a single statistic, but rather in outperformance in several key economic areas, demonstrating her remarkable resilience and potential. Allow me to elaborate on a few.
9. Beyond GDP figures, Malaysia has established itself as one of the most trade-friendly countries in the world, exporting a competitive range of products and services to more than 200 countries worldwide. In 2019, we ranked as the world's 25th trading nation and 26th largest exporter by the World Trade Organisation.²
10. We are also ranked first in the Global Islamic Economy Indicator based on the State of Global Economic Report produced by Dinar Standard, a position we have held for ten consecutive years. Investments in the Islamic economic sectors recorded 128% growth in investment value to USD25.9 billion in 2022/2023 from USD11.4 billion in 2021/2022, with Malaysia ranking among the top five countries with the highest number of investments.³
11. In the last four decades, the Malaysian government has been facilitating the development of Islamic finance which primarily revolved around banking and finance and expanded over time to include other sectors such as capital markets, takaful, and Islamic asset management. Today, it has become the **world's largest Sukuk issuer**, commanding **40.3% market share of global sukuk outstanding** and **43.3% share of global sukuk issued in 2022**.⁴ Malaysia also has the highest number of Islamic funds globally – 580 Islamic funds with a total asset under management or **AUM of USD38 billion**, which is equivalent to **16% of global Islamic funds AUM in 2021**.⁵
12. The Securities Commission Malaysia (“SC”) and Bank Negara Malaysia (“BNM”) have played significant roles in creating a robust Shariah ecosystem by **introducing guidelines and regulations such as the Shariah governance framework** to facilitate the development of Islamic capital markets and promote Shariah investments. Bursa Malaysia is proud to firmly establish itself as a **leading Islamic exchange that provides investors a range of Shariah-compliant offerings and a dedicated end-to-end Shariah-compliant**

¹ Bloomberg

² [Malaysia among most trade-friendly countries in the world; The Top 50 Largest Importer in the world](#)

³ [The State of the Global Islamic Economy 2023/24 Report](#)

⁴ <https://www.bnm.gov.my/documents/6319173/47e2a7ba-4f7c-cdd3-0fed-c7de001bf99c/>

⁵ [ICD – Refinitiv Islamic Finance Development Report 2022](#)

investing platform known as Bursa Malaysia-i, which has further facilitated the growth of Shariah investments in Malaysia.

13. On the capital market front, the benchmark FBMKLCI staged a healthy rebound after a subdued 1H2023, jumping from 1,369 points in June to close the year at 1,454.66 points. This marks a 2.73% decline in price performance alone, but a +1.06% total return, including dividends. The positive performance in 2H23 was supported by sustained foreign net inflows totaling RM1.85 billion, despite the prevailing net outflow in the region. Notably, while October saw a net sell, amid geopolitical tension in the Middle East and weak China data, Malaysia recorded the highest foreign inflow in the region in November, signifying investor confidence. Overall, Malaysia exhibited the second lowest foreign outflow among regional peer securities markets in 2023, with an outflow of USD514 million, just behind Indonesia. In contrast, other nations in the region experienced outflows ranging from USD881 million to USD5,501 million. Furthermore, the FBMKLCI is currently valued at a forward Price-to-Earnings Ratio of 13.0x, significantly lower than its 10-year average of about 15.5x.
14. The prospects for Malaysia's economy in 2024 appear promising across various domains. The year is poised for the implementation of the macro blueprints launched in 2023, with a particular focus on delivering fiscal reforms to fortify the country's financial standing. The key to success lies in dedicated efforts and steadfast commitment to the established course, ultimately contributing to Malaysia's economic transformation and supporting a sustainable agenda in the long run.

Section 2: Some Comments on the Malaysia MADANI Economy Framework

Ladies and Gentlemen,

15. In July 2023, less than a year after assuming office as Malaysia's Prime Minister, the Honourable Prime Minister Dato' Seri Anwar Ibrahim unveiled the MADANI Economy: Empowering the Rakyat (People) Framework, establishing the foundation and guiding principles for the country's economic and development plans.
16. The MADANI framework articulates the values and high-level targets required for Malaysia to be a leading Asian nation, characterised by humane economic development that adheres to the principles of humanity and social justice.

Notable targets include for Malaysia to rank amongst the top 30 largest global economies, ranking in the top 25 least corrupted countries by the Corruption Perceptions Index, securing a spot within the top 12 in the Global Competitiveness Index, and being among the top 25 in the Human Development Index. Additionally, Malaysia aims to elevate its female labour force participation rate to 60% and reduce its fiscal deficit to below three percent and lower.⁶

17. While these targets are ambitious and exciting, the current standings of Malaysia – **61st on the Corruption Perception Index, 27th on the Global Competitiveness Index and 62nd on the Human Development Index⁷**—highlight significant challenges ahead. Meeting them requires a robust commitment to Prime Minister’s reform agenda, where tackling corruption, fostering good governance, and attracting both foreign and domestic direct investment are imperative to realising these aspirations.
18. Within the MADANI Economy, the government has identified several economic drivers that will help pave our future as a leader in Asia. I will focus on two of them in my address today: **the National Energy Transition Roadmap (“NETR”) and the New Industry Master Plan 2030 (“NIMP2030”).⁸**
19. Notably, the NETR marks a substantial and visible shift in Malaysia, **driven by ten catalyst projects falling under six energy transition levers: energy efficiency, renewable energy, hydrogen, bioenergy, green mobility, and carbon capture, utilisation, and storage.**
20. The renewables industry is booming globally, **with a staggering USD495 billion (approx. RM2.2 trillion) invested last year alone.** Emphasising renewables is a strategic move to enhance Malaysia’s economic complexity, attract investment, and achieve its net-zero carbon emission target by 2050. Additionally, this high-skilled sector not only attracts investment but also contributes to workforce capability and added value for Malaysia.
21. The NETR aims to **raise Malaysia’s renewable energy capacity to 40% by 2035 and 70% by 2050**, gradually phasing out coal-generated power plants. The bigger mission is to increase renewable energy’s share of total primary energy supply (“TPES”) from 4% in 2023 to 22% in 2050. Natural gas will play a significant role, accounting for 56% of T-P-E-S by 2050, with total investment opportunities projected at USD247 billion to USD278 billion (RM1.2 trillion to RM1.3 trillion) by 2050.

⁶ [Madani Economy: Empowering the People](#)

⁷ [Malaysian Rating Corporation Berhad: Gains in Productivity and Education are Integral to Wage Policies](#)

⁸ Section data, references from speeches at Energy Transition Conference 2023 & YAB PM Speech at Invest Malaysia NY2023

22. Malaysia must also revitalise its manufacturing sector, which has been somewhat neglected despite its higher productivity compared to the services sector over the decades. **NIMP2030 offers a strategic solution to this, focusing on high-impact, high-growth sectors such as E&E, chemicals, aerospace, pharmaceuticals, and advanced materials like minerals and metals.**
23. NIMP 2030 is guided by four missions: to advance economic complexity; to tech up for a digitally forward nation; to strive for a net-zero future; and to safeguard economic security and inclusivity. To facilitate industry-wide implementation, the plan also offers four enablers: to mobilise the financing ecosystem, foster talent development and attraction, strengthen best-in-class investor journey for ease of doing business and to introduce a whole-of-nation governance framework.
24. It will take USD20.3 billion (RM95 billion) in total investment to implement, predominantly derived from the private sector and mobilised from private equity, capital and financial markets. Meanwhile, approximately 10% of the funding will be allocated by the government through the NIMP Industrial Development Fund and the NIMP Strategic Co-investment Fund.
25. Given the diverse needs and investment scopes among various stakeholders, now is an opportune time to promote a more balanced mix of Foreign Direct Investment and Domestic Direct Investment. Additionally, participants are encouraged to explore unconventional funding sources like private equity, alternative fundraising methods, and other innovative approaches that align with their preferences and requirements.
26. The NIMP 2030 is a commitment to bolster the nation's manufacturing sector, with ambitious microeconomic targets including a 6.5% annual growth in the GDP of the manufacturing sector. By 2030, this could translate into a substantial RM587.5 billion contribution to Malaysia's total GDP.⁹ I'm sure you will hear more from YB Tengku Dato' Seri Utama Zafrul this afternoon.

Section 3: What It Takes to Elevate Malaysia's Position Globally

Ladies and Gentlemen,

27. As Malaysia strives for high-income status, it is critical that our growth model transitions from factor accumulation to a more knowledge intensive and productivity-driven approach. This transition is not only necessary for long-term economic growth, but it is also a strategic move to avoid being confined

⁹ [Launch of the New Industrial Master Plan 2030 \(NIMP2030\)](#)

in the middle-income range, which may stunt innovation and overall economic progress.

28. Allow me to offer some personal insights into key areas that represent Malaysia's Unique Selling Propositions (USPs), that warrant our attention and improvement to propel our economic growth. These include:
- I. Sustainability and energy transition,
 - II. Livability (for business, tourism, healthcare and education)
 - III. Innovation and creativity
 - IV. Food production and security
 - V. Islamic economy & finance

Sustainability/Energy Transition:

29. We are pleased that sustainability, particularly energy transition, continues to be emphasised in the 12th Malaysia Plan Mid Term Review ("12MP-MTR"). The energy sector currently plays a critical role, accounting for 28% of our national GDP and employing one in every four workforce. Recognising the pivotal role we occupy, it is essential to embark on a transformative journey, transitioning from fossil fuel dependency to cultivating a high-value green economy. In this pursuit, NETR emerges as a comprehensive solution, addressing the multifaceted challenges our industry is currently facing and serving as the blueprint for fostering a sustainable economic landscape.¹⁰
30. In addition to the energy transition, we must intensify our focus on diverse initiatives to draw investments into green technology. This includes, among others, fostering the production and adoption of electric vehicles ("EVs") and assisting small and medium-sized enterprises ("SMEs") in embracing Environmental, Social, and Governance ("ESG") principles through the National Industry ESG Framework ("i-ESG").

Livability (for business, tourism, healthcare and education)

31. Malaysia has always been cited as one of the best places to live and visit with a balance of modernity, cultural diversity, good cuisine and affordability. The Government's recent move to grant 30-day visa-free entry for visitors from China and India is a major policy shift that will support tourism recovery and propel the tourism sector directly and the property sector indirectly.

¹⁰ [PWC's Summary of the National Energy Transition Roadmap Phase 1](#)

32. In a recent InterNations' annual Expat City Ranking survey¹¹, Kuala Lumpur secured the third position as the best city in Asia to reside in and is ranked eighth globally. In the previous year, Malaysia was ranked 22nd as the best destination for expatriates to live and work in based on the Expat Insider 2022 survey and was ranked among the top 25 best countries in the world to live in according to HSBC's Expat Explorer survey, the world's largest and longest running study of expat life. Among the reasons cited for Malaysia's appeal include its diverse and welcoming culture, world-class healthcare, and a well-developed education system.
33. Enhancing the overall livability of our nation will significantly contribute to attracting businesses and tourists. While the MADANI Economy puts emphasis on jump-starting Malaysia's industrial economy, it is heartening that the 12th Malaysia Plan Mid-Term Review gives a focus on bolstering the exports of Malaysia's services sector, such as the creative and tourism industries.

Innovation

34. Robust infrastructure is essential to ensure Malaysia's progress as a technologically advanced economy. The future demands enhanced data connectivity, networking and skilled utilisation of advanced technologies and the key building blocks for this transformation are the promise of 5G and cloud computing infrastructure. These transformative technologies have the potential to impact many sectors ranging from high-tech manufacturing in semiconductors, which is a key contributor to Malaysia's GDP¹² to sectors such as transportation, public services and health.
35. Another noteworthy effort to highlight is the push for a sustainable ecosystem for entrepreneurship and innovation, to encourage digital adoption and nurture high quality investments. Simultaneously, we should look at revamping our human capital policies, to ensure the resilience of our talent in both the public and private sectors, with the goal of creating a workforce fully equipped to tackle challenges in the digital age. Cultivating this mindset is crucial, as it not only lays the groundwork for attracting top talent in the future but also enhances wages for our workforce, ultimately propelling innovation to greater heights.

¹¹ New Straits Times, [Kuala Lumpur ranked eighth globally and third in Asia as best city to live in](#)

¹² DOSM – GDP contributors, IMKL 2022 Series 1

Food production and security

36. Malaysia's commitment towards the United Nations' Sustainable Development Goals ("SDGs") places food security initiatives at the core of the country's nation-building efforts. Hence, addressing the challenges in food production and ensuring food security is not only a matter of economic importance but also a vital component of national resilience. Increasing our production capabilities necessitates a strategic shift in the agricultural sector towards "smart farming", leveraging cutting-edge technologies such as agricultural automation, big data analytics, drones, and artificial intelligence ("AI").
37. Additionally, optimising efficiency through the consolidation of small farms promotes economies of scale, which can lead to increased profitability for farmers and heightened interest in food processing. This will potentially create more opportunities for investments.

Islamic Economic and Finance

38. As a long recognised leading player in Islamic finance, The Malaysian Islamic finance sector has shown continued growth, with a 9% increase in Islamic finance assets and a 20% growth in the value of Islamic funds¹³. Malaysia can further strengthen its position as a global hub for Islamic finance by promoting innovation in Shariah-compliant financial products and services. This involves fostering a regulatory environment that encourages financial institutions to develop and offer innovative Islamic financial solutions. Additionally, Malaysia can explore the integration of financial technology ("Fintech") into Islamic finance to enhance efficiency and accessibility. Leveraging blockchain technology, digital platforms, and other innovative Fintech solutions can streamline processes, reduce costs, and make Islamic financial services more inclusive. This is return, can attract more international investors seeking ethical and sustainable investment opportunities into the country.

Section 4: Bursa Malaysia's Role in Supporting/Enabling Malaysia to Achieve the Stated Goals

Ladies and Gentlemen,

39. The capital market is a crucial component of Malaysia's economy and plays a great role in supporting the aspirations of the nation to become a leading economy in the region. As Malaysia's stock exchange, Bursa Malaysia stands

¹³[The State of the Global Islamic Economy 2023/24 Report](#)

at the forefront of the capital market's reform efforts to enhance the competitiveness and Malaysia's overall market appeal. To this end, Bursa Malaysia will enhance its efforts and focus on the following areas or initiatives:

- I. **Cultivating a robust Sustainability/ESG agenda**
- II. **Enhancing our listed companies' performance and investability**
- III. **Catalysing new developments to future-proof our marketplace**

40. The significant developments in the sustainability landscape, particularly in light of the pressing global concern of climate change, have compelled us to raise the compliance bar for our listed issuers so that they will boost their overall resilience, competitiveness, and appeal as attractive investments.
41. To drive wide acceptance and adoption of these new imperatives, Bursa Malaysia's enhanced sustainability framework, introduced in September of 2022, aids companies in adopting international reporting frameworks and standards, including those set forth by the Global Reporting Initiative and the International Sustainability Standards Boards. This endeavour will be undertaken in a phased approach, beginning on FYE 31 December 2023 for Main Market issuers, with the disclosure of common sustainability matters and ultimately culminating with climate related disclosures in the near term.
42. To complement these efforts, we are developing the Centralised Sustainability Intelligence ("CSI") Platform – a centralised repository for ESG disclosures in collaboration with the London Stock Exchange Group. The CSI platform will enable Malaysian companies of all sizes to disclose high-quality, credible, and standardised ESG data that can be leveraged to drive sustainable practices across industries. In addition, it facilitates their access to sustainability-linked financing, thus driving growth and Malaysia's transition to a green economy.
43. Bursa Malaysia is also facilitating Malaysia's energy transition efforts, particularly by bridging financing gaps needed for the country to transition towards net zero through the launch of our voluntary carbon market ("VCM") exchange – Bursa Carbon Exchange ("BCX"), the world's first Shariah-compliant VCM exchange.
44. The BCX is one of the key building blocks that will help finance some of the actions and investments required for decarbonisation. The BCX successfully held its first carbon credits price discovery auction in March of last year, and commenced trading and facilitation of off-market transactions of carbon credits in September 2023. The recent publication of the Voluntary Carbon Market (VCM) handbook and directory, along with collaborations signed at

COP28 with Sarawak Energy Berhad, Hydropower Sustainability Alliance and the I-REC Standard Foundation, as well as Gold Standard, and the upcoming provision of Renewable Energy Certificates (RECs) position the B-C-X as a key player in advancing environmental awareness and solutions.

45. Malaysia's PLCs serve as the catalyst for reforms domestically and are pivotal in driving Malaysia's growth. Today, there are over **950** diversified companies across numerous economic sectors that are listed on Bursa Malaysia. Transforming these companies will be vital in the long-term agenda of recovery and reform which, in turn, will benefit many, both directly and indirectly. In doing so, we had introduced in 2022, the PLC Transformation Programme. Currently, more than 230 PLCs have participated in the programme.
46. The programme, which runs until 2025, envisions improvement in PLCs in numerous areas including building a stronger financial position, enhancing their Board composition, governance, and embedding sustainability practices. Ultimately, these improvements in practices would not only benefit Corporate Malaysia but would also deliver several positive outcomes that will boost market confidence in our economic growth and aid the country's overall recovery.
47. Beyond the PLC Transformation Programme, we have launched the IR4U Programme, the IR & PR Programme, Bursa Digital Research, and Bursa RISE, as well as hosting our flagship Invest Malaysia and Invest Shariah series. These initiatives are part of the Exchange's broader efforts to improve the profiling and visibility of PLCs and invigorate the equities market.
48. Bursa Malaysia also made great strides in catalysing new developments to enhance the vibrancy, accessibility and future-proofing of our marketplace, in line with our goal to pivot as a Multi-Asset Exchange. We progressed on many notable milestones, including:
 - **Extending access to the capital market and introducing fundraising opportunities** through new offerings beyond traditional services such as through BR Capital – our new debt fundraising platform joint venture with RAM Holdings;
 - **Announcing the reduction of the stamp duty rate for shares traded on Bursa Malaysia** – from 0.15% to 0.1%, capped at RM1,000 per contract. The reduction is aimed at directly reducing the cost of securities transactions;
 - Extending our **sphere of influence** through regional and global collaborations, including spearheading an inter-regional ESG-linked

ecosystem with the Indonesia Stock Exchange and the Stock Exchange of Thailand; and co-chairing the UN SSE Advisory Group on Carbon Markets with the Egyptian Stock Exchange; and

- Enabling frameworks that helps drive market vibrancy such as the recently **expanded criteria for Approved Securities for Securities Borrowing and Lending, Discretionary Trading Framework for securities.**

49. Of course, these are just some of our key efforts to bolster market vibrancy and foreign participation in the market that I can possibly cover here. In the months and years to come, we will unveil more developments that will further build on these efforts. I fervently hope you will stay engaged and be among the first to hear about and participate in these exciting new opportunities.

CLOSING

Distinguished guests, Ladies and Gentlemen,

50. Malaysia's economy today stands at a key pivot point. Over the decades, it has weathered tests, demonstrated resilience, and adapted to shifts in global demand and heightened investor expectations. Notwithstanding the challenges, our nation's desire to succeed and proving the best of its abilities has always remained core.
51. The strategic reforms, efforts to refocus, and the streamlining of policy-making processes, along with enhancements in regulatory efficiency and innovation put in place across the private and public sectors, are the instrumental keys that will unlock the scale and quality we aspire to achieve.
52. However, for Malaysia to truly advance, its recovery and reform endeavours necessitate nothing less than a "whole-of-industry" and "whole-of-nation" approach. Thus, I call upon all stakeholders – the business community, investors, analysts, and industry players – to play their respective roles. The path to success becomes more accessible if Corporate Malaysia rises to the occasion, together.
53. I look forward to listening to more insights with you over the course of today's Malaysia Corporate Day. Looking at the programme, it will be an enlightening, insightful and exciting look into fresh perspectives that will propel the Malaysian economy forward.

Thank you.