



Malaysia's strategic partnership with SK Group, South Korea

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On our journey to becoming a truly advanced country, in which all enjoy a higher income as well as a greater level of public well-being, we are guided by the principles of high impact, low cost and rapid execution. This is part of our National Blue Ocean Strategy, or NBOS.

Through NBOS, we have achieved unprecedented levels of collaboration, across more than 90 government ministries and agencies alongside many private sector players. This has allowed us to deliver services such as our Urban Transformation Centres, while saving government expenditure of up to 2 billion ringgit – because we housed all the different services under one roof.

This was done quickly; at a saving to the people; and it has had a greatly beneficial impact on their daily lives.

We are breaking down bureaucratic silos within the Government and bridging the gap between Government and the private sector. To date, we have launched 117 high impact initiatives, tackling a wide range of economic and social issues.



We have achieved a lot through this strategy, and there is much for this country to be proud of. But we want to do even more. We are a nation of great potential.

And that is why the Malaysian Government and SK Group – a Fortune 100 company and the second largest conglomerate by market capitalisation in South Korea – have agreed to establish a strategic partnership under NBOS, to create new high-growth businesses and investment opportunities in key sectors of the economy.

As a first step, SK Group will establish a Regional Head Office in Malaysia covering ASEAN, India and the Middle East in order to make a blue ocean shift for both Malaysia and the SK Group.

Malaysia will be at the centre of SK Group's business expansion ambitions in these regions, which is a sign of great confidence they have in our country. The Group will also strive to develop highly skilled Malaysian talents by training and grooming future Malaysian business leaders.

The signing of the first MoU between the Government of Malaysia and the SK Group marks the beginning of our journey of creative collaboration with the SK Group in key areas such as ICT & 5G, Oil & Gas, Green Technology as well as urban development.

The second MoU between Cyberview Sdn Bhd, a government-owned company under the Ministry of Finance, and two SK Group subsidiaries, namely SK Holdings



Co., Ltd. and SK Telecom Co., Ltd. concerns the development of Blue Ocean Smart Cities in Malaysia, starting with Cyberjaya.

Cyberjaya's transformation over the years reflects the rapid pace of change in the development of new technology. The necessary conditions, incentives and support have been put in place, and I believe that SK Group's expertise in this area, combined with Cyberview's strategic vision for building smart cities, will help to deliver transformative change in the infrastructure, the technology, and crucially, the liveability of our cities.

It is our hope that the Blue Ocean Smart City in Cyberjaya will serve as a model smart city solution that can be adopted in other urban centres across Malaysia and well beyond.

I am confident that SK Group, with its vast technological expertise and experience, will add exceptional value to our economy. But the reason why exceptional companies like them, and many others from around the world, want to do business with us is because of the strength of our economy, its resilience, and its continued high performance.

The Economic Transformation Programme we initiated in 2010 has delivered, and continues to deliver. We have created 2.26 million new jobs, kept unemployment and inflation low, and enjoyed years of healthy growth – including GDP growth of 5.9 percent last year.



Competition for foreign investment is fierce, but we are attracting it here because we have much to offer: a stable and supportive business environment, strong fundamentals, a talented workforce, a strategic location, and an effective government that has embraced creativity and innovation, to name just a few factors.

In 2017 we saw net foreign inflows of RM10.8 billion into our equity market, the highest since 2012. That's a sign of the international community's confidence in our economy and the way that it is being managed. It is my hope and expectation that we can achieve even more in 2018.

We have set an ambitious target for Malaysia to become a global top 20 nation by 2050. And we are already concentrating on the future industries, innovations and technologies that will transform all of our lives going forward.

As our cities become smarter, our devices more connected through the Internet of Things, and whole new industries, jobs and opportunities created, we want Malaysia to be at the forefront of these developments. I am sure that the strategic partnership under NBOS between Malaysia and SK Group will be able to make a significant contribution to that goal.

I look forward to the results of such a close and creative partnership, which I have no doubt will be of great benefit both to Malaysia and to SK Group.



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