

Anwar-Musk talks to have spillover effect: Economist

KUALA LUMPUR: The meeting between Tesla Inc founder and CEO Elon Musk and Prime Minister Datuk Seri Anwar Ibrahim would prompt a chain reaction on the nation's journey towards becoming an electric vehicle (EV) hub in the region, an economist said.

Sunway University economics professor Dr Yeah Kim Leng noted that a fruitful discussion between the global EV giant and the Malaysian leader, expected to take place within this week, will also lead to further commitments that could benefit the Malaysian economy in general.

Regardless of the nature and value of the investment that Tesla intends to bring to Malaysia, Yeah said any forthcoming commitment arising from the meeting will provide the Malaysian EV industry

> Discussion will boost Malaysia's EV journey by opening up more opportunities for suppliers, service providers as well as component makers

with a big boost.

"Iconic investments typically have larger spillover effects through enhancing, strengthening local and foreign investor confidence as well as crowding in investments.

"This could open up more opportunities for the suppliers, service providers as well as parts and components manufacturers to actively engage with the EV industry," he told Bernama.

Last Friday, Anwar, who is also

the finance minister, announced that he will be sitting down with Musk to explore ways for the mega EV company to further its investments in Malaysia.

On that note, Yeah said the meeting will have positive implications as it affirms the government's economic direction to pursue high impact, high value foreign direct investment (FDI), and thrust towards clean energy.

"Malaysia's FDI numbers will continue to edge up should the

meeting result in Musk or any of his numerous frontier projects finding a footing in the country," he added.

Meanwhile, Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz reaffirmed that the potential collaboration between Malaysia and Tesla is not only limited to the EV sector but may lead to other sectors as well.

"What we want is to attract more potential or investment commitment in the automotive sector and other sectors that we can market within Malaysia," he said.

Tesla, an EV designer and manufacturer headquartered in Austin, Texas, US, will be making its official debut in Malaysia in Kuala Lumpur on July 20.

Currently, the nearest Tesla official service centre is located in Singapore and owners from the Greentech leasing programme have been sending their cars back to Hong Kong for major work.

In the meantime, Malaysia Automotive, Robotics and IoT Institute (MARII) CEO Azrul Reza Aziz expressed confidence that the meeting between Anwar and Musk will pave the way for a fruitful collaboration between Malaysia and Tesla in the near term.

"We are thrilled about the possibilities that lie ahead from the meeting. The possibility of Tesla increasing further investments in Malaysia will contribute to our nation's economic growth and enable the development of a sustainable and environmentally friendly mobility ecosystem," he said.

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