

# Anwar: Asean must evolve or fall behind

## Bloc's economic growth relies on unity and integration, says PM

By RAGANANTHINI VETHASALAM and SYAZWANI HASNIZAM  
newsdesk@thestar.com.my



**KUALA LUMPUR:** The need for Asean to pursue economic integration is now greater than ever, says Prime Minister Datuk Seri Anwar Ibrahim.

He said Asean's strength has stood the test of time and its strength lies in its durability and not in "drama".

"In times like these, there is a temptation to retreat into nostalgia or fatalism, to assume that the international order is beyond repair or that regional cooperation is too slow to matter.

"Over nearly six decades, it has withstood wars, crises and coups, and still managed to inch forward, often frustratingly, but forward nonetheless," he said.

"Our vision for Asean is a prosperous, sustainable and inclusive region. This will require political will, serious capital, fortitude and a strong dose of good fortune.

"It will also require swift progress in initiatives at the sub-regional level," he added.

To boost economic growth in the region, Malaysia is committed

to investing in regions bordering its Asean neighbours with the Johor-Singapore Special Economic Zone being one example of such an initiative.

"Malaysia is also committed to investing in developing our border areas such as in the northern peninsula with Thailand, Sabah and Sarawak border with Kalimantan to promote economic activities for the benefit of people on both sides of the border," he said during the Asean Investment Conference hosted by the Securities Commission Malaysia here yesterday.

"By lowering barriers and coordinating policy between two closely linked economies, we create a demonstration effect - a case study in cross-border economic logic," he added.

Anwar also noted that green growth was no longer a matter of environmental virtue, but a strategic economic necessity.

"Technologies such as carbon



**Local crafts:** Delegates visiting booths on the sideline of the 12th Asean Finance Ministers and Central Bank Governors Meeting. — RAJA FAISAL HISHAN/The Star

capture, circular production models, and low-emission innovations are not peripheral experiments.

"Indeed, they are poised to define the industrial landscape of the coming decade," he said.

He said this is because resilience requires investment in infrastructure that can weather storms, both in the literal and financial sense.

As for the Asean power grid, he said the private sectors and multilateral development banks have been engaged in financing projects to transmit electricity from Vietnam to Kelantan via submarine cables and on to Singapore via land transmission lines.

Asean payment connectivity is set to improve with the launch of digital payment systems linking Malaysia, Indonesia, Singapore

and Thailand, as well as a payment link between Malaysia and Cambodia.

This, he said, will help promote intra-Asean trade and tourism.

As for the digital economy, he said it offers both great promise and inequality.

"The region's digital transformation is well underway, but uneven. Meantime, the trajectory of artificial intelligence is surging ahead with the speed of lightning.

"If the asymmetrical digital progress is left unchecked, it risks deepening divides. Investments in digital literacy, infrastructure, empowerment and governance must go hand in hand," he said.

Anwar said small and medium-sized enterprises (SMEs) - which form the bulk of the country's employment base - are often the most exposed to shocks and

the least equipped to respond.

"Compliance with global sustainability standards is daunting for a company of, say, five people.

"That is why Malaysia, with the support of our partners, is launching the Asean Simplified ESG Disclosure Guide for SMEs," he said.

"This is a practical tool to help small businesses take their first steps towards more sustainable and transparent operations."

The Asean Simplified ESG Disclosure Guide for SMEs in Supply Chains Version 1 was also launched yesterday.

The guide was developed to help SMEs meet environmental, social and governance (ESG) reporting requirements, equipping them to build resilience and competitive advantage in an evolving marketplace.