

U.S. TARIFFS

ANWAR: WE HANDLED TRADE SHOCKS

PM says emerging economies cannot afford to isolate themselves

JOHANNESBURG

DATUK Seri Anwar Ibrahim said Malaysia has succeeded in managing the United States-imposed tariff shocks, supply chain pressures and rapid technological changes by working with its Southeast Asian neighbours while leveraging its position as Asean chair for 2025.

The prime minister said the lesson learnt from facing these challenges indicated that emerging economies could not afford to isolate themselves.

"We have found that when policies are aligned and rules are predictable, shocks pass through with less damage.



SHARANJIT SINGH

"The lesson is clear. Resilience comes from common preparedness, not isolation."

He added that this lesson mattered because the next disruption in emerging economies would likely be harder to contain.

He said artificial intelligence was expected to reorganise labour markets at a pace local institutions would struggle to match.

To overcome this, he said, it was vital for governments to start investing in workers, especially the young.

He said this when delivering Malaysia's statement during Session 1 of the Group of 20 (G20)



Prime Minister Datuk Seri Anwar Ibrahim delivering Malaysia's statement at the G20 Summit in Johannesburg, South Africa, PIC FROM PM'S OFFICE

Summit here with the theme "Inclusive and Sustainable Economic Growth, Leaving No One Behind".

His participation in the summit was in Malaysia's capacity as Asean chair and at the invitation of South African President Cyril Ramaphosa.

Anwar said this year's G20 summit was being held at a critical juncture of deep economic and geopolitical unease and one cannot help but feel that it was the eve of even greater volatility. "Globalisation created unprecedented prosperity, but its gains were uneven and the world was slow to adjust.

"After the 2008 financial crisis and again during the Covid-19 pandemic, many were left vulnerable rather than supported.

"The political effects of those shocks persist to this day."

Anwar said the world had seen

the consequences of globalisation when societies were unprepared for it.

He said with AI, the destabilisation could be worse if countries entered this transition unprepared.

"This will be one of the defining challenges of our times," he said, adding it was essential for countries to prepare their people, especially the youth, for the speed of technological change.

He said investments were needed in training programmes while safety nets must be put in place.

"Small- and medium-sized firms, which will carry much of the employment burden, would also need support," he said, adding emerging economies also needed to double down of international trade.

He said Malaysia had worked towards this by moving quickly

on the Asean Digital Economy Framework Agreement, which would set common standards for data, payments and digital trade.

Touching on global resilience, he said many developing economies now spent more on servicing debt instead on education or investment.

He said countries needed the capacity to invest ahead of disruption and this could only be achieved if multilateral development banks worked with those who needed help to build resilience.

"Malaysia is, therefore, ready to work with all partners to meet this common challenge and to help sustain an open, predictable global economy that gives our people a fair chance to thrive."

He thanked Ramaphosa for his leadership, and for inviting Malaysia to the summit.