

**Keynote Address at The Launch of BOCE Malaysia/ASEAN E-Commerce Trading Platform**

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1. I am indeed pleased to be here today to witness another new system which promises great potentials and possibilities for Malaysian businesses exploring the opportunities beyond our shores.

2. I am here today to launch Malaysia's first ever commodities e-commerce trading platform operated by a Malaysian company – Commodities Global Trade Sdn. Bhd.(CGTSB) that holds the exclusive rights under Bohai Commodity Exchange of China.

3. These rights primarily enable Commodities Global Trade to cater for the whole ASEAN market while making Malaysia the new gateway for ASEAN venturing into China market.

4. Putrajaya is now one of the 6 global offices operating outside China, apart from the USA, Canada, New Zealand, Ukraine and Australia. Effectively it makes Putrajaya the new hub for e-commerce trade for the region.

5. Malaysia and China bilateral relations were established way back in the early 1400s when the Malacca sultanate established ties with the Ming Dynasty. Strategically located amidst one of Asian's most spectacular regions, Malaysia's 600 years of trade relations with China fostered not only economic relations but also social and cultural ties.

6. Currently, China is Malaysia's largest trading partner and had been so for 10 consecutive years. In 2018, Malaysia's trade with China rose by 8.1% valued at RM313.81 billion. Trade volume with China alone makes up 16.7% of Malaysia's total trade.

7. During the corresponding period, exports to China expanded by 10.3% to RM138.88 billion, mostly a result of higher exports of chemicals and chemical products, engineering and electrical products, liquid natural gas (LNG), metal, optical and scientific equipment, transport equipment and processed food.

8. China remained as Malaysia's largest import source, accounting for 19.9% share of total imports in 2018. Imports from China increased by 6.4% to RM174.93 billion, aided by higher imports of electrical and engineering products, manufactured products of metal and chemicals as well as transport equipment.

9. All these statistics underscores the importance of today's launch which should propel the commerce between two countries to greater heights.

10. Our international trade policies have always been supportive towards promoting exports, hence I am happy to note that Commodities Global Trade is currently working closely with MATRADE under the Ministry of International Trade and Industry, Ministry of Prime Industries, Ministry of Economic Affairs, Ministry of Agriculture and Malaysia Palm Oil Council to encourage more local exporters to use the platform.

11. The National E-Commerce Council (NeCC) was established to drive the implementation of the roadmap towards doubling Malaysia's e-commerce growth rate and reach a GDP contribution of RM211 billion by 2020. Therefore, the Government would encourage more agencies, both private and government-owned, to work with Commodities Global Trade to take full advantage of the platform's capabilities and to boost the development of e-commerce ecosystem and ensure the national agenda is met.

12. It is vital for our ASEAN Member States to continuously improve the quality of their local infrastructures – transportation, telecommunications, and financial services as well as the rules and regulations that support the transactions, distributions and provisions of goods and services. These allow for vibrant development of e-commerce potential in the region and simultaneously optimising the entire supply chain.

13. Malaysia's principle of "prosper thy neighbour" which offers solidarity with its neighbours especially in trade, would create effective spill overs and catalytic effects within the region and among other regions. As ASEAN economy is unique and symbiotic, ASEAN Member States need to leverage on each other's strengths to ensure ASEAN economy remains robust and dynamic against the global tapestry. ASEAN regional economic integration is vital to support the global economic growth and prosperity.

14. The ASEAN economy is unique because of several factors:

- The unique dynamism that exists within ASEAN countries in real economic activities, bound by historical ties, culture and similarities in value system.
- The growth of digital economy in Southeast Asia makes cross-border cooperation key in realising the full potential of ASEAN as it is one of the fastest-growing regions globally. As such Southeast Asia must be innovative

and resilient. Digital technology will play a pivotal role in its regional progress.

- Technology enables the creation and proliferation of new ideas as countries prepare themselves to seize growth opportunities, while at the same time, work through a myriad of challenges in areas such as financial inclusion, trade facilitation or external threats such as cyber-terrorism.

- To that end, ASEAN countries needs to be digitally ready – both in terms of availability of connectivity infrastructure and adoption of technology across governments and businesses.

15. Digital economy does not only benefit start-up companies, but also existing export-ready companies wanting to jump into digital inclusion. With the establishments of e-commerce platforms backed by the Government, cross-border trade is safer, more efficient and effective for businesses.

16. Furthermore, with the shift in demand for products and services and consumer behaviour, it is challenging to stay relevant unless companies evolve and change the way they do things to suit the market.

17. It is important for Malaysian businesses to go beyond our borders, explore more opportunities and expand markets. The free trade agreements

(FTA) which the Malaysian government has signed can help companies to export. FTAs help to enhance our competitive advantage, strengthen investors' confidence and to a large extent, build Malaysia's economic sustainability. At the ASEAN level, Malaysia has 6 regional FTAs with ASEAN Free Trade Agreement (AFTA), China, Korea, Japan, Australia, New Zealand and India.

18. Embracing the Fourth Industrial Revolution technologies will definitely help countries and businesses achieve sustainable growth. The Fourth Industrial Revolution capabilities create higher top and bottom-line value through faster design, state-of-the-art products, reduced risks, elimination of waste and so on.

19. The world's ever-growing population is increasingly digitised and affluent but ageing – and seeking sustainable solutions. Today, three billion people have mobile access, with a 10% annual growth rate. Innovations such as voice assistants and the Internet of Things (IoT) are redefining the whole shopping experience and disrupting retail, blurring the lines between when and how consumers learn about products, decide on a purchase and actually transact.

20. Ultimately, it all boils down to product availability “anytime-anywhere”, at a competitive cost. Continuously evolving online and offline consumer demands will encourage growth in the expectations on supply chain execution. Delivery times are getting ever-shorter, with same-day and

even 1-hour services on the rise. Consumers are demanding more flexibility and more delivery options that fit around their lifestyle, rather than around company operational processes. The old ways of producing, warehousing and delivering products is now obsolete.

21. Automation, robotics and drones are becoming the backbone of logistics, artificial intelligence and digitally enabled manufacturing, distribution and warehousing platforms. These allow us to analyse trends and spot opportunities, including optimal handling, accurate forecasts and enhanced geographical agility to address emerging omnichannel fulfilment needs.

22. This new Government will be one-year-old in a few days. The Government's goal is clearly outlined – to make Malaysia a developed nation with good environmental and social protection policies, economic inclusion and harmony. Boosting productivity at all levels, promoting quality investment, ensuring sustainable long-term economic growth, and helping industries to rise are among the fundamentals of the New Malaysia. Malaysia, like many other developing countries is heading towards a new era and frontier of digital economy. I am confident that the nation will be able to step into the future together progressively and still sustain our culture, heritage and legacy. We have come a long way to be where we are today and despite all the challenges we still stand united as Malaysians.

23. On that note, I wish to congratulate – Commodities Global Trade Sdn. Bhd for its initiative. And I hereby launch Bohai Commodity Exchange of China’s Malaysia/ASEAN E-Commerce trade platform.

Thank you.

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