

**SPEECH AT THE GALA DINNER TO COMMEMORATE THE 25TH ANNIVERSARY OF
MATRADE**

By : YAB. TUN DR. MAHATHIR BIN MOHAMAD, PERDANA MENTERI MALAYSIA

Venue : MITEC, KUALA LUMPUR

Date : 03/12/2018

YANG BERHORMAT DATUK DARELL LEIKING,
MINISTER OF INTERNATIONAL TRADE AND INDUSTRY;

YANG BERBAHAGIA DATUK ISHAM ISHAK;
ACTING CHAIRMAN OF MATRADE AND
SECRETARY GENERAL, MINISTRY OF INTERNATIONAL TRADE AND
INDUSTRY;

YANG BERUSAHA DR. MOHD SHAHREEN ZAINOOREEN MADROS,
CHIEF EXECUTIVE OFFICER, MATRADE;

DISTINGUISHED GUESTS;

LADIES AND GENTLEMEN,

Assalamualaikum w.b.t dan salam sejahtera.

1. Firstly, I would like to congratulate MATRADE on its 25th Anniversary. It is indeed a delight to see an agency that we started a long time ago to have grown and become successful in its own right.

2. If I remember it correctly, MATRADE's origins in the late 70s, when it started as a small unit known as Malaysia Export Promotion Office or MEXPO. At that time, I was Deputy Prime Minister and the Minister of Trade and Industry, I think.

3. But in 1993, MATRADE was established as a statutory body. Those who were with MATRADE at that time have long passed on to do other things. Some have retired, while some have come back to become the Prime Minister again.

4. In this sense, fate has been very kind to me. After 40 odd years, I am able to stand here, in this huge MITEC building, and deliver a speech at this very important milestone.

Ladies and gentlemen,

5. In human history, trade has been an important part of any civilisation. Those who shunned the outside world, are left to rue their losses and missed opportunities. Since 2,000 years ago the Malay Peninsular had been the epicentre of trade between the East and the West. The old Kingdoms of Kedah and Langkasuka received goods from many parts of the world, and exchanged them with forest products. The Melaka Sultanate thrived and achieved its Golden Age due to its famous trading port and business friendly rulers. The trading gateway between East and West was controlled

by the Malay Peninsular where ships have to find shelter while waiting for the monsoon winds.

6. After Independence, Malaysia revived its ports, not only to supply ships with victuals and water but to handle the increasing amounts of trade goods passing through.

7. In this regard, MATRADE was tasked to boost collaboration in trade activities and undertake strategic promotional programmes in a holistic and cost effective manner. MATRADE was also tasked to develop effective trade information systems and market intelligence, and disseminate them on time so that our companies can have a competitive edge in the international market.

8. Today, MATRADE has become a well-recognised, multi-dimensional trade promotion organisation with expanded scope and functions. Its mission now encompass almost all sectors of exports and imports in the manufacturing and services sectors. It pays attention to the development of exporters in supporting various national agenda, particularly those related to the exports of commodities and manufactured goods.

9. MATRADE has come a long way since its inception. Its vision to position Malaysia as a globally competitive trading nation must be sustained and enhanced. Its mission to promote Malaysia's enterprises to the world must not waver nor fail.

10. This is evident in the growing exports this country has recorded since MATRADE was established in 1993, when Malaysia's total exports were just over RM121 billion. In 2017, the volume of our exports had grown to RM935.6 billion and 80% of that came from our manufacturing sector. Currently, we are the 25th largest trading nation in the world. We export to

over 200 markets worldwide, and I hope the composition of our exports will continue to expand.

Ladies and gentlemen,

11. Economies around the world are facing many challenges and prolonged financial crises. In the 80s, we had the commodity crisis. In the late 90s we suffered from the Asian Financial Crisis. Around 10 years ago, the world had to deal with the sub-prime mortgage crisis. For the past few years we have had to manage the sharp fluctuations in oil and commodity prices.

12. These global economic crises certainly tested the strength and resilience of our economy, particularly the manufacturing and services sectors. As Malaysia's economy is highly dependent on trade, many sectors of the economy had to contend with the shocks of a shrinking global demand.

13. We have persevered through these difficult periods. We embarked on a series of bold policy measures to strengthen the economy, implementing wide-ranging reforms to raise our competitiveness and boost investors' confidence. This Government is steadfast in fulfilling our international trade commitments. Malaysia did not and will not retreat into protectionism to shield our economy and shun our global trading partners.

14. I have stressed on the need for countries and trade organisations to develop fairer and more genuine cooperation in order to deal with disruptions. I have lamented about the danger of the two most powerful economies engaging in a trade war. Smaller nations do feel the pain. I have also underscored the notion that free trade must also be fair trade.

15. From these instances, Malaysia can take advantage in terms of its trade activities. In any crises there will be plenty of opportunities. Where a trade war is waged, while sanctions and trade barriers are imposed, a developing country like Malaysia can find ways to be creative in improving our trade volume.

16. In other words, the US-China trade conflict can be seen as a unique opportunity for us to attract new investments to the country as many affected companies are seeking to site their manufacturing facilities and export hubs to other countries, including Malaysia.

17. In order to support these trade and investment activities, the Government will continue to strengthen its efforts to put in place a sound and robust macroeconomic policies, improve public service delivery, construct first-class infrastructure facilities and create a business-friendly environment.

18. Meanwhile, MATRADE and its stakeholders must be able to adapt to changes and operate in a fast-changing world economy and evolving megatrends, such as the emergence of disruptive technologies and other technological advances, new versions of Free Trade Agreements (FTAs), imposition of trade barriers in the name of environmental protection, urbanisation and climate change. These trends are reshaping our world.

19. This is no longer business as usual. Malaysia's economic growth is targeted to be between 4.5% to 5.5% per year until 2020. Services and manufacturing sectors are projected to drive growth in tandem with stable domestic and external outlook.

Ladies and gentlemen,

20. We need to take cognisance that the real impacts and headwinds of the current crises have yet to fully unfold. What we are facing now could be only reverberations. Tougher times might be ahead of us. We need to be prepared and become resilient as we will continue to encounter many other challenges in the years to come.

21. As such, we need to strengthen our economic growth by enhancing productivity and increasing competitiveness of the industries. Industry 4.0 is upon us. We need to continuously improve and harness the ecosystems of business support to offer innovative, seamless and integrated solutions for our stakeholders.

22. Currently there are many ministries and agencies involved in various export promotion programmes in the overseas market. There are bound to be redundancies and overlaps. We should be prepared to give up or share responsibilities in order to reduce bureaucratic procedure.

23. We need to work harder and smarter. The role of MATRADE is to ensure that trade contributes to inclusive and sustainable growth through the exchanges of goods and services.

Ladies and gentlemen,

24. The digital revolution is creating new opportunities in the world market. From a simple business tool in the confines of office space 3 decades ago, digital transformation and the Internet of Things have shaped

our daily lives and have comprehensively permeated into the way we do business as a whole.

25. This is an era where a simple entrepreneur from a rural area in Malaysia can export his product to the far-flung parts of the world just by clicking a few buttons on his computer or mobile phone.

26. Ultimately, Malaysia can only benefit from this venture if we take full advantage of this digital transformation via the policy on Industry 4.0, simply known as Industry4WRD. (Pronounced - Industry Forward)

27. Basically, Industry4WRD is the call for digital transformation and to facilitate companies that want to embrace Industry 4.0 in a systematic and comprehensive manner, driven by people, process and technology. This policy envisions Malaysia as a strategic partner for smart manufacturing, primary destination for hi-tech industries and total solution provider for manufacturing sector and services in the region.

28. The presence of various business-to-business and business-to-company e-commerce platforms had open up more markets for Malaysian entrepreneurs. It is an effective platform that provides greater exposure for SMEs to export and to reach distant consumers.

29. Not only that, MATRADE needs to focus on trade with developing nations too. We must have noticed how developed nations have always been involved in the trade with developing countries. It must be because doing business with developing countries is profitable.

30. Because of this, MATRADE must continue to invest and build on the necessary expertise in big data analytics. I must emphasise that MATRADE must be more than just a trade promoter but rather a data-driven

organisation for its promotion activities. In the present big data is very useful. We will know what people want and we can supply them with their needs.

Ladies and gentlemen,

31. This 25th anniversary is a milestone for MATRADE to reaffirm the commitment to remain relevant. MATRADE must assess what has been achieved thus far, critically analyse shortcomings, and constantly innovate to develop new services that meet the needs and demands of the stakeholders.

32. Malaysia is a trading nation. We have depended on trade for our wealth and development. We can still do so and enhance our trade with the help of new technologies, especially the ease and speed of transport and communication. We must, and MATRADE must look into ways and means to apply these news technologies to boost our trade.

33. MATRADE should remain steadfast to its main goals – harnessing cooperation, sharing of market intelligence and contacts, streamlining activities and undertaking promotional programmes in a holistic and cost effective manner - as we have envisaged when we established MATRADE as the National Trade Promotion Organisation 25 years ago.

34. With this, I wish MATRADE every success as you continue to steer the country's trade to greater heights in the years to come.

Thank you.

Copyright of the Prime Minister's Office portal

Source:

http://www.pmo.gov.my/home.php?menu=speech&page=1676&news_id=24&speech_cat=2