

Malaysia & the World: New Opportunities & Challenges

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Malaysia & the World: New Opportunities & Challenges

- New Government & Policies
- Domestic Socioeconomic Outlook
- Trade Scenarios
- Global Economic Interactions
- Belt & Road Initiative
- Future Strategic Sectors

New Government & Policies

- Popular expectations for new government:
 - Socioeconomic resuscitation,
 - e.g., GST abolishment to reverse overpricing.
 - Healthier environment for politics & rule of law,
 - e.g., thorough, careful & open investigations into many previously suppressed scandals.

New Government & Policies

- **New cabinet:**
 - Professional, relatively young & most importantly seemed to be politicians of integrity
 - PM not taking on another ministerial post to fulfill electoral promise
 - More or less “equal” distribution of cabinet posts among PH component parties - political repercussion?
- **Eminent Person’s Group**
- **Measures meant for stabilizing market sentiments soonest**
 - Did they work?

New Government & Policies

- 0% GST pending parliamentary repeal - at least 3 causes for popular revolt against GST:
 - opportunistic overpricing
 - Procedural nuisance for SMEs
 - Perception of GST proceeds to cover up shortcomings due to scandals
- What about budgetary concerns?

New Government & Policies

- “Discovery” of “hidden” national debts, from ~RM600 billion to ~RM1 trillion.
- Mostly sovereign guarantees of GLC / SPV loans which have allegedly been siphoned away!
- Unorthodox classification of national debts - but justified?
- Popular support - Tabung Harapan
- But market jittery - to tell or not to tell the “truth”?

New Government & Policies

- So austerity measures:
 - Pay cuts for ministers & freeze on civil servant pay raise.
 - Review or shelving of major projects:
 - HSR
 - ECRL
 - Pipelines
 - But BRIM to continue?
 - Subsidies to return? - market distortion

New Government & Policies

- Investigations into alleged scandals:
 - Searches & seizures of luxury items
 - Prosecution of 1MDB-related figures
 - Unearthing of other hidden abuses
- Need to balance popular clamor for swift actions vs perception of political revenge.
- Justice must be both done & seen to be done.

New Government & Policies

- Short- to medium-term challenge is to sustain economic growth & ensure more even distribution of wealth.
- Important for both new government & people to not be complacent, but to abandon old negative habits such as reliance on government handouts & to buckle up for bumpy ride ahead.

Domestic Socioeconomic Outlook

- Most businessmen bemoan “business worse than previous years...”
- Roots in Global Financial Crisis a decade ago.
 - US & Europe not fully recovered?
 - China picking up the slack but itself in slower growth.
- So world economy still depends on American economic health to large extent
 - Trump champions “America First”, but with mixed results as isolationist measures are double-edge swords.

Domestic Socioeconomic Outlook

- We are export-oriented economy:
 - Electronics / electricals - FDI dependent
 - Neighboring competitors
 - American market not as robust as before?
 - Commodities, e.g., petroleum & CPO - price swings
 - Prices not as high as before & we cannot do much about that.
 - OPEC cannot petroleum prices as effectively as before.
 - No OPEC equivalent for CPO.
 - CPO not as “strategic” as petroleum.

Domestic Socioeconomic Outlook

- TS Lin See-Yan worries about long-term sustainability of economic growth.
 - High debt level
 - Not so much public but private debts.
 - Stimulating domestic consumption can provide short-term impetus, but will push up debt level in long term, ultimately lowering consumption level & economic growth.
 - Low RM
 - Dependence on foreign labor

Domestic Socioeconomic Outlook

- I think stimulating domestic consumption is OK but must not overdo it.
- Americans consume many times more than we do, but why it does not run into problem of high private debt levels lowering consumption & thus growth?
 - Well, US has advantage of being considered ultimate credit guarantor of the world. No matter how high its public & private debt levels, the world is still willing to lend it.
- But we are developing country, & our credit “limits” are real. So overconsumption will land us in trouble.

Trade Scenarios

- US is our largest FDI provider. American factories appear to be few but mostly producing high-tech semi-finished components, which are then sent to China for further processing, before being sent to US for final assembly.
 - E.g., smart phones
 - “Made in USA” & thus fulfilling “America First”?
- Huge price difference between semi-finished components & finished products, but how many locals can afford expensive smart phones?

Trade Scenarios

- So overall trade figures would still show as if we export more to US then importing from there, & this is the “trade deficit” Trump most sensitive about!
- Or take agro produces. Traditionally US buys its tropical fruits from Caribbean or South American countries, while we buy many American fruits & veggies.
- But now we buy less due to tough times, so again “trade deficits” in Trump’s eyes!

Global Economic Interactions

- Bank Negara raised interest rates for 1st time in 4 years earlier this year.
- Our domestic economic performance influenced by international economic interactions, especially those originated from US.
- Over past year, US underwent two series of policy changes, one gradual & one drastic, which affected not only itself but foreign markets as well.

Global Economic Interactions

- US Federal Reserve has been steadily raising interest rates since last year.
 - Fed worries about inflation above all, overshadowing enthusiasm for economic stimulus.
- Fed perceived signs of US market heating up, so revving up interest rate to attract more deposits as opposed to investment & speculations.
- But overseas capital thus attracted back to US may not necessarily be readily deposited but may be put back into US economy or even into financial markets, thus driving up prices there.

Global Economic Interactions

- I have always considered Fed raising rate as “double-edge sword”:
 - Bad for US as may not attain inflation-containment goals
 - Bad for developing countries as repatriated US capitals deprive them of much needed funds
 - Even some emerging market capital are attracted by combination of more stable financial system & higher rates in US.
- So Bank Negara too had to act to make our financial market more competitive.

Global Economic Interactions

- More drastically, US adopted tax reform which has international implications:
 - Trump lowered top tax rate from close to 40% to 20%.
 - So now US tax rates close to tax-friendly jurisdictions like HK & Singapore.
 - So should other countries also reform their tax rates to make them more attractive to foreign investors?
 - More leniency for repatriation of US capital
- Coupled with reduction or removal or strict regulations & infrastructural projects, can these revive US economy?

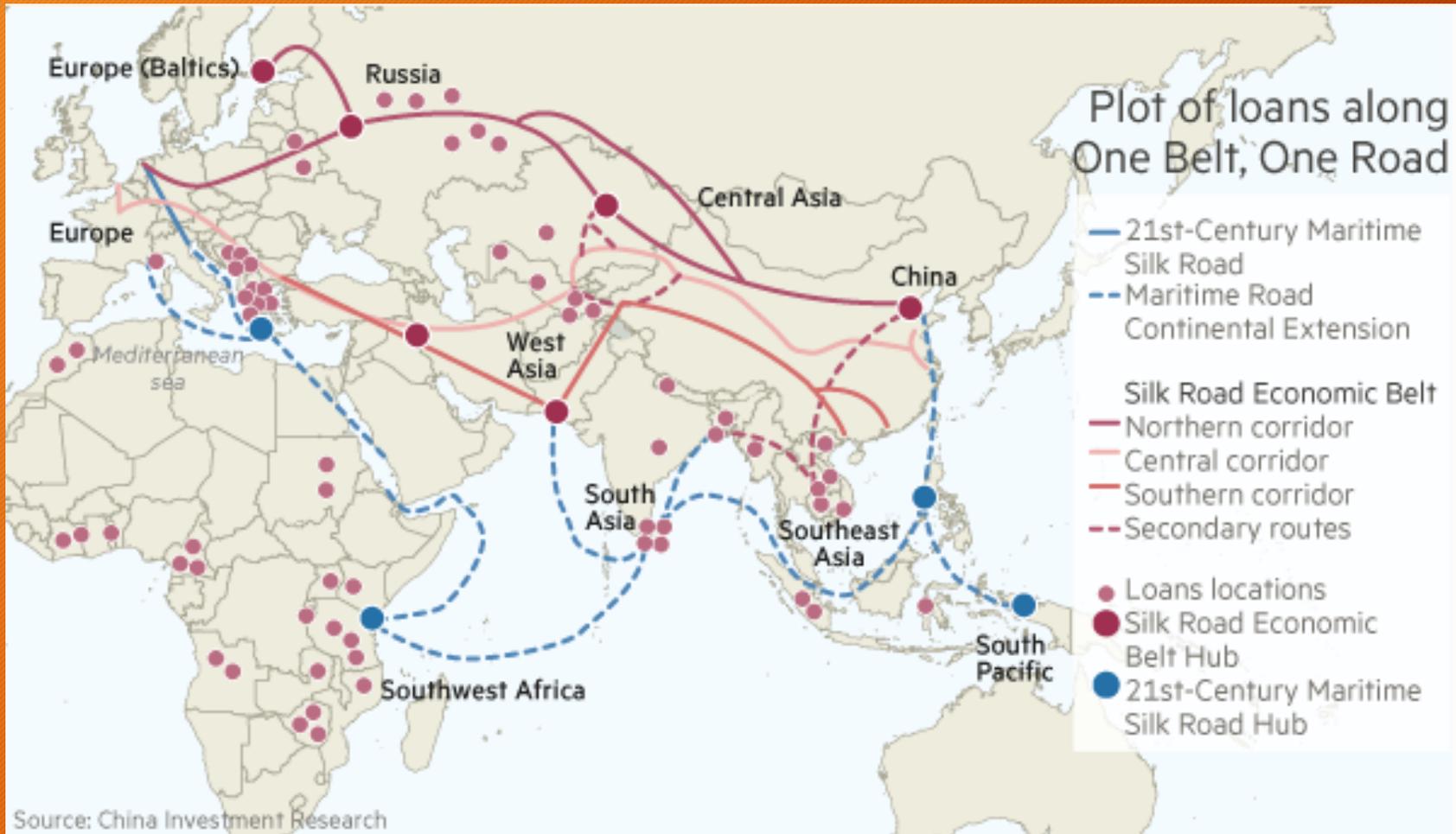
Global Economic Interactions

- But Trump also has isolationist bent, opposing free trade & globalization, even despising rules & systems painstakingly put together by US over the years.
 - High tariffs for steel & aluminum from allies & rivals alike.
 - Trump hopes to attract these factories back to US to create jobs?
 - But added costs will also be transferred to end users.

Global Economic Interactions

- It's OK to have “America First”, but must do it in right ways:
 - Trade wars lead to ever higher tariffs & therefore more expensive final goods for end users.
 - Also US should focus on high-tech industries, not outdated, mediocre industries to be brought back.
 - Lowering tax is the right move as it will not only increase American competitiveness, but also encourage other countries to follow suit, & business-friendliness will lead to growth.

Belt and Road Initiative



Belt and Road Initiative: Trade Facilitation

- Southeast Asia is strategically located at crossroads of East and West, & trade remains traditionally a mainstay of economy here.
- For most SEA countries, trade becomes the most important BRI elements - deepening & broadening it.
- Malaysia was China's largest trading partner in SEA til recently, & China has been Malaysia's largest trading partner for many years, with bilateral trade volume being almost twice that between Russia & China.

Belt and Road Initiative: Trade Facilitation

- Since 2015, ASEAN countries have formed ASEAN Economic Community (AEC), reducing & removing tariffs & non-tariff barriers for goods & services traded between them.
- China & ASEAN have also signed free trade agreement, & are negotiating to upgrade it.
- So China & ASEAN should consider forming a China-ASEAN Economic Community (CAEC):
 - To better implement trade facilitation under BRI;
 - To give impetus to RCEP negotiations.

Belt and Road Initiative: Trade Facilitation

- Not only state owned enterprises, but small & medium enterprise important in BRI trade.
- Trade should also transform into investments, creating jobs & enable technology transfers.
- Trade is the lowest hanging fruits for BRI

魅力 亚洲

广州南沙南沙商务区新貌



“沙巴应善用它与广东省尤其是广州的地理优势，打造亚庇成为港口枢纽……沙巴这里有许多广东老乡，可以作为沙巴与广东省的桥梁。”
——胡逸山



海丝贯通广东沙巴

二零一三年九月及十月，中国国家主席习近平在出访中亚和东南亚国家期间，先后提出共建“丝绸之路经济带”和“廿一世纪海上丝绸之路”的重大倡议，简称“一带一路”，得到国际社会高度关注。

都是广东侨务部门服务“一带一路”建设的重要内容。

从「广东与沙巴」的角度而言，中国方推海上丝路对沙巴有何影响与好处？

「一直以来，广东与沙巴来往甚多，沙巴的客人都是来自广东省，大家对广东并不陌生，可能还有亲戚在那里；沙巴作为旅游区，三个小时飞机就可以从广东到沙巴，是旅游的好去处。目前，在沙巴也有一些与广东有关的商业开发、农产品活动，如广垦集团在垦地的发展。」

也是马来西亚太平洋研究中心首席顾问的胡逸山指出，其实，沙巴应善用它与广东省尤其是广州的地理优势，打造亚庇成为港口枢纽。广州港是世界上最忙的港口之一，有许多来自东南亚、澳洲及纽西兰的船只排队到那里去，既然它们到了广州也是等，那不如招徕他们先到亚庇这里来，进行一些加工。

「在这当中，沙巴这里有许多广东老乡，可以作为沙巴与广东省的桥梁。沙巴可以作为广东与东南亚合作的中转站。广东省很多发展，广州市周边地区，如深圳、东莞、肇庆等，都是中国工业重镇，但目前有饱和现象，应该加以分化出去，沙巴应该抓紧这个契机。」

他指出，中国出现产能过剩，但对沙巴很重要；中国的重型机械可能无用武之地，但可以用在其他适当的对产能有需求的地方。「是的，目前，沙巴在「一带一路」之下只有少数房产项目，相比之下，西马方面会更加积极，我们的做事风格、态度都要作适当调整，搞好基建与旅游设施。中国方面做事方式都是要大、要好，举例说，可以把整个亚庇工业园或拿鲁的棕油工业区让中国参与重整。」

沙巴一直以来争取的定位是「殖民地」、「马来亚」、「自己」及「外人」。在经济方面，都是农产品加工、发展旅游业、盖一点酒店、看看猴子；胡逸山说：「不幸的是，我们未把自己定位为搞高科技的地方，现在的都是中低端产业，我们要如何搞高端？教育当然是要做好，例如推动技职教育，再来就是搞好基建，而不是还有时常停电的问题。」

「如果我们「放手」给中国集团去搞，这里所说的「放手」，是指快速批准各项准证，而不是拖长了准证的程序与时日，你很快就可以看到成果，短期一年就有很大的不同。这些发展项目的拥有权并不是问题，大马法律也允许外资在国内货运公司拥有巨大比例



股权。中国当初招徕外资时，也提供「三通一平」，那就是水通、电通、路通和场地平整，后来变成「五通一平」，就是水通、通电、通路、通讯、通气、平整土地。也有「七通一平」，即是给水、排水、通电、通路、通讯、通暖气、通天然气或煤气，以及场地平整。」
胡逸山表示，除了这里许多的人「顺其自然」态度与思维应改为更加进取，政府也应同样调整政策，做到更加发展，教育要改善，基础设施建设一定要放手给人做，我们当然希望中国方面有更多项目出来，他们愿意都可以做，他们的思维是，更喜欢规划新区，在平地建起一个新区。

「【一带一路】提的五通是政策沟通、设施联通、贸易畅通、资金融通、民心相通，其实，就沙巴而言，后面的四通我们都做到了。」
「要致富，先筑路」放诸四海而皆准；胡氏说：「现阶段，我们当然不能要求在沙巴建高铁或动车，但我个人的愿望是马上兴建贯穿沙巴东西海岸的双轨铁路，并非只到丹容宜路的一小段火车服务，而是沿着泛婆罗洲大兴建能接整个婆罗洲的双轨铁路。有了铁路，我们就可以解决沙巴东西海岸的运营问题，必定可以带动整个经济贸易活动。火车是全球公认最廉宜的交通工具，中国乃至欧美工业化道路，都是经火车走出来的。」
(本报·邹平主) ■

一带一路

按照中国的说法，「一带一路」是促进共同发展、实现共同繁荣的合作共赢之路，是增进理解信任、加强全方位交流的和平安宁之路。中国政府倡议，秉持和平合作、开放包容、互学互鉴、互利共赢的理念，全方位推进务实合作，打造政治互信、经济融合、文化包容的利益共同体、命运共同体和责任共同体。

其实，「一带一路」并不是一个实体和机制，而是合作发展的理念和倡议，将充分依靠中国与有关国家既有的双多边机制，借助既有的、行之有效的区域合作平台。「一带一路」贯穿欧亚大陆，东边连接亚太经济圈，西边进入欧洲经济圈。无论是发展经济、改善民生，还是应对危机、加快调整，许多沿线国家同中国有着共同利益。历史上，陆上丝绸之路和海上丝绸之路就是中国同中亚、东南亚、南亚、西亚、东非、欧洲经贸和文化交流的大通道，「一带一路」是对古丝绸之路的传承和提升，获得了广泛认同。

「一带一路」横跨亚、欧、非三大洲六十多个国家和地区，沿线大多是新兴经济体或发展中国家，覆盖四十四亿人口（相当于全球总人口约六十三亿），约占全球生产总值三成。



正在积极施工兴建当中的肇庆市新区之示意图，展示不忘保留中国岭南传统文化。



肇庆市新区的设备完善，地下设有转门通道充作电力舱、燃气舱及综合舱，一次过解决基本设施需求。

海丝·广府文化行 (下/完)

Belt and Road Initiative: Connectivity Matters

- Many SEA countries are rich in natural resources, but hindered by backward infrastructures to take full advantage of its endowments.
- Infrastructural connections must however be undertaken with due regards to the actual needs & circumstances of the local countries concerned.
- Support of AIIB, Silk Road Fund important.

中马经济互动

（亚庇30日讯）沙巴马中联谊会会长胡逸山认同交通部计划与沙巴州政府合作，以提升州内港口与机场的作法，并认为完善的基础设施建设将使本州经济发展一日千里。

交通部长拿督斯里廖中莱昨日指出，该部正在探讨如何通过“一带一路”来协助沙巴的建设发展如港口设备，以强化当地的港口，互通互连。

胡逸山受访时欣见联邦政府对沙巴的重视，也期待州内各地包括亚庇、古达、山打根及斗湖的港口能够获得加深及提升设施。

除了港口之外，他认为沙巴和砂拉越都需要高速公路和更多铁路，因此建议政府在连接沙砂的泛婆罗洲大道工程增设铁路，使泛婆大道更加完善。

■大道衔接港口更有效

胡逸山指出，倘若泛婆大道拥有公路和铁路，再衔接至各大港口，肯定能为沙巴各领域带来经济效益。

“届时，沙巴港口的货物便可出口至中国及东南亚各国，发挥东盟经济共同体及一带一路的效应。”

另外，胡逸山认为沙巴现在的单向轨道或许可提升为双向轨道，以便进一步提升州内的基础设施。



▲沙巴马中联谊会会长胡逸山认为，提升基础设施建设将使沙巴经济发展一日千里。

胡逸山：有利經濟發展
沙砂需增建大道鐵路

Belt and Road Initiative: People's Bonds

- BRI extends to South Asia, Middle East & East Africa.
- Multicultural SEA can be “super connectors” for linking China with these regions as we are more versatile in dealing with multicultural settings.
- SEA also looks forward to interact more with & explore new markets in Russia & Central Asia through BRI.

【亞庇卅日訊】中國僑聯副主席兼青年委員會主席喬衛與沙巴的僑聯海外青年委員進行了一項交流會。沙巴馬中聯誼協會會長胡逸山太平紳士在交流會上強調：

1、中國與馬來西亞的全方位交往已然十分頻密。所以兩國在一帶一路上的合作應建立在此堅實的基礎上，力求有所增值與創新；

2、沙巴有著極為戰略性地理位置，也有著難得的多元文化和睦共處的社會。所以沙巴可作為在一帶一路上中國與南太平洋以及中東地區往來的超級中轉站；

3、要加強兩地年輕人的往來，如此一帶一路的民心相通才會持續；

4、本地需要更多因地制宜的基礎建設，中國可扮演更積極角色。

出席交流會的有：中國僑聯副主席兼青年委員會主席喬衛，沙巴馬中聯誼協會會長胡逸山博士太平紳士，中國僑聯海外聯誼部副部長桑寶山，中國僑聯組織人事

胡逸山：馬中關係深厚具戰略性地理優勢

一帶一路 沙巴可作超級中轉站

圖：胡逸山（右七）和喬衛（左八）與僑聯海外青年委員進行交流會時合影。

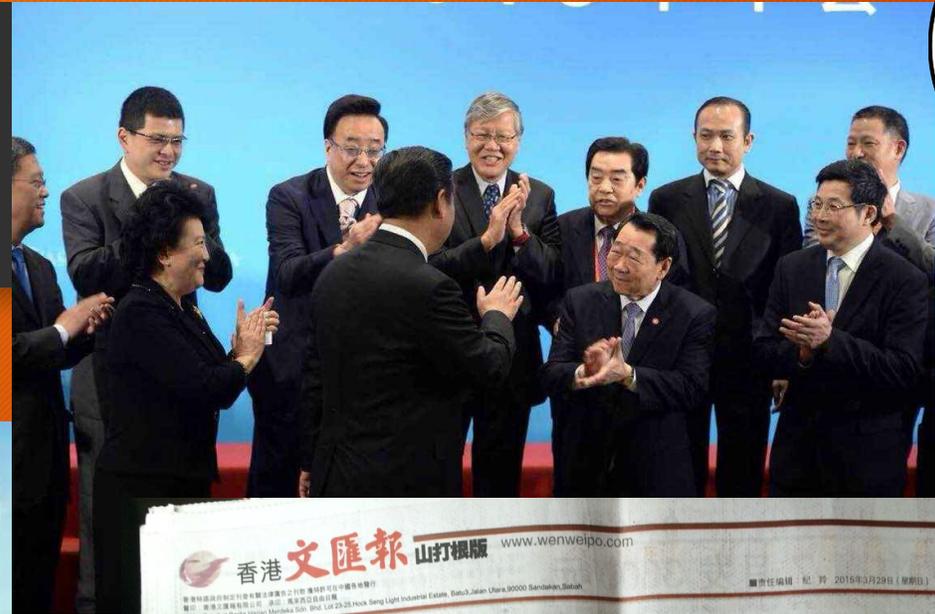
部副巡視員崔續庚，中國僑聯機關服務中心副主任賈德成，中國僑聯辦公廳秘書陳小雲，中國僑聯公益事業管理服務中心於部賈素穎，中國僑聯海外青年委員兼馬中聯誼協會秘書長廖志國，廣東省僑聯海外青年委員兼馬中聯誼協會副會長卓少興，福建省僑聯海外青年委員兼沙巴馬中聯誼協會常委余明心，四川省僑聯海外青年委員兼沙巴馬中聯誼協會委員池聖標，泉州市僑聯海外青年委員兼沙巴馬中聯誼協會常委廖啟華，沙巴馬中聯誼協會委員陳月瓊，沙巴馬中聯誼協會委員林真遠等。



Belt and Road Initiative: People's Bonds

- How to more effectively pass on cultural heritage to younger generation is out common challenge.
- Student exchanges
- Branch campus
- R&D into tropical natural products

2015 博鳌亚洲论坛 Boao Asia Forum



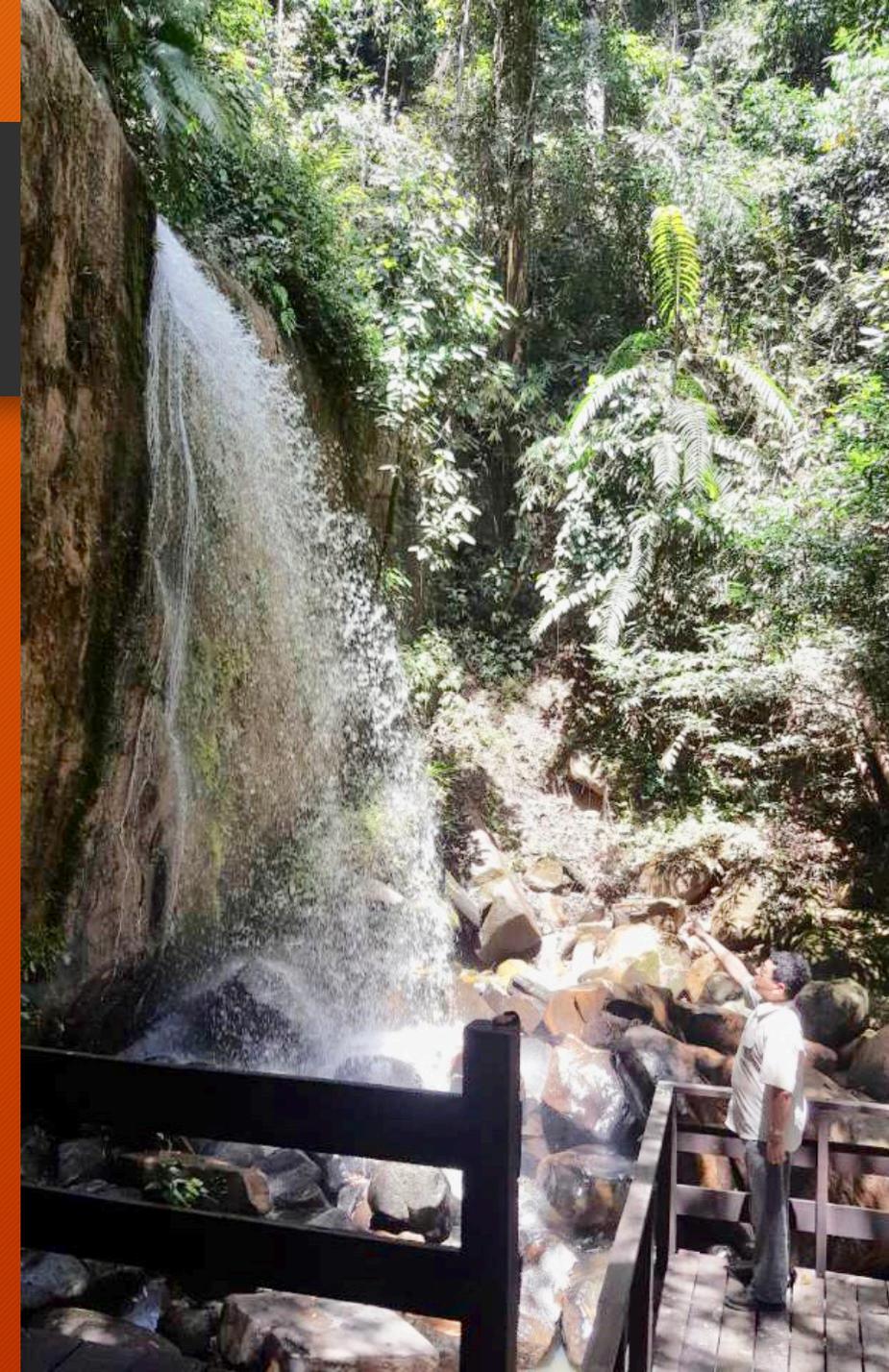
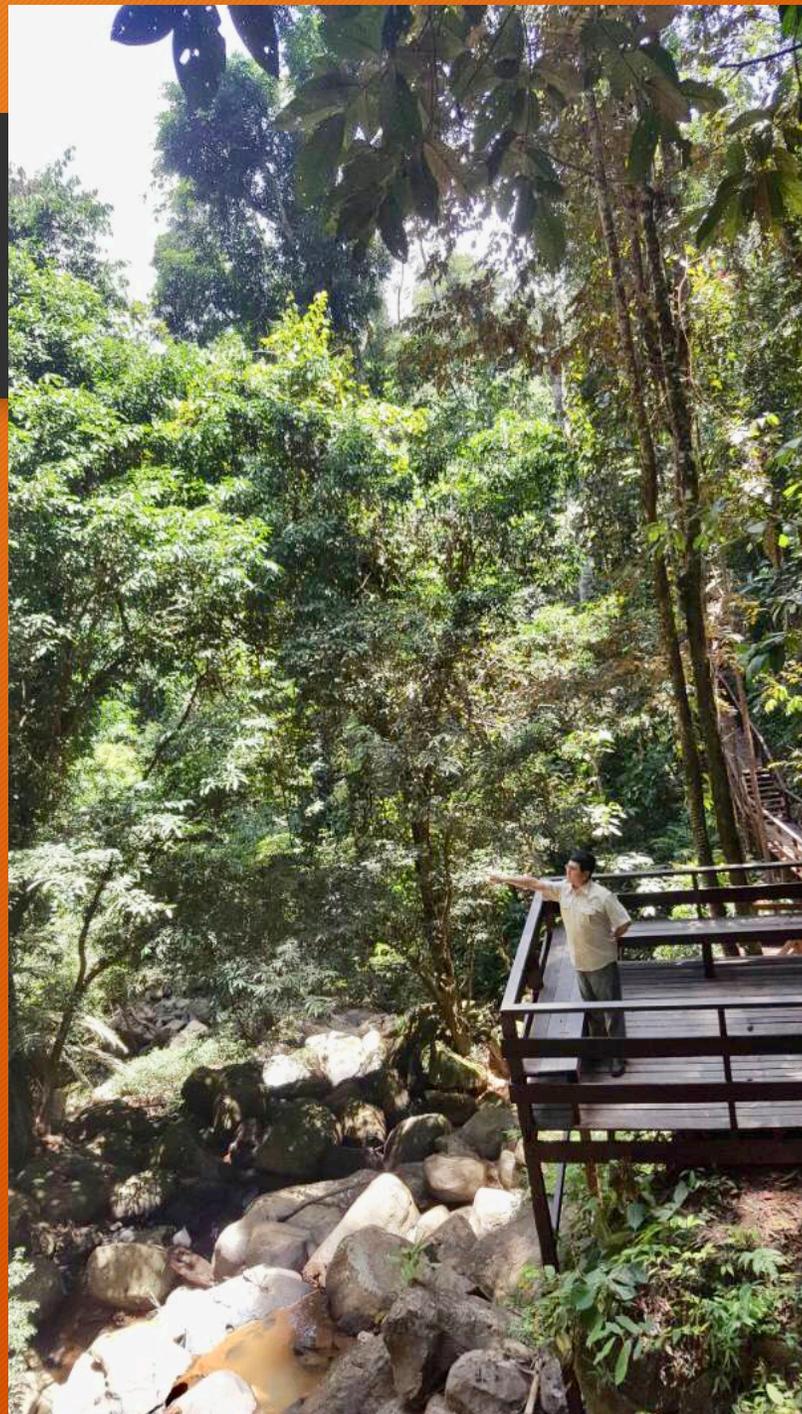
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Future Strategic Sectors



Future Strategic Sectors



Future Strategic Sectors



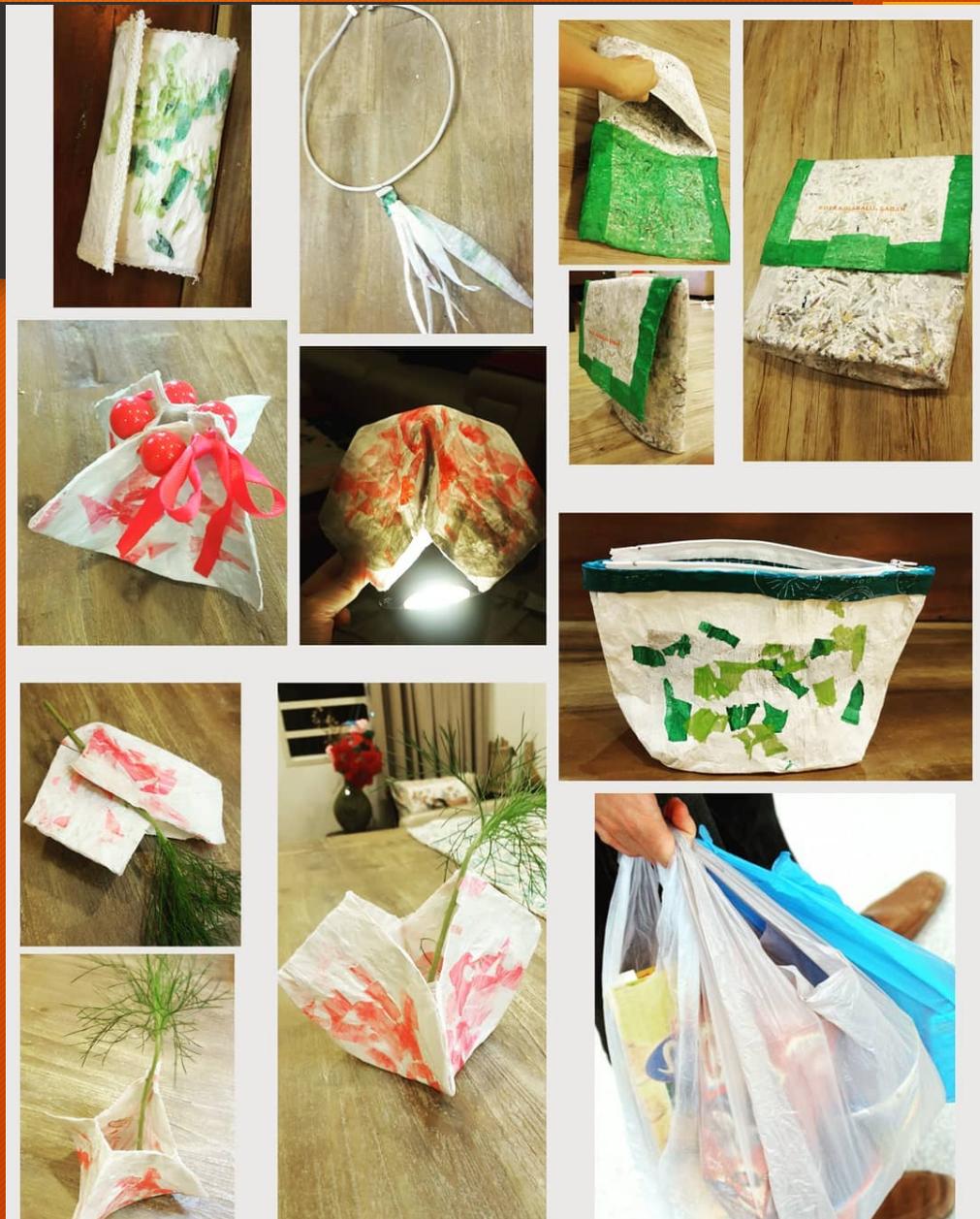
Future Strategic Sectors



Future Strategic Sectors



Future Strategic Sectors



Future Strategic Sectors



Cardboard Reuse



Conclusion & Outlook

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I'm Bill Gates, co-chair of the Bill & Melinda Gates Foundation. Ask Me Anything. Nonprofit
(r/IAmA)

submitted 8 days ago by [thisisbillgates](#) to r/IAmA 
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Do you think in the near future, we will have another financial crisis similar to the one in 2008?

[thisisbillgates](#) • 2,590 points • submitted 8 days ago

Yes. It is hard to say when but this is a certainty. Fortunately we got through that one reasonably well. Warren has talked about this and he understands this area far better than I do.

Despite this prediction of bumps ahead I am quite optimistic about how innovation and capitalism will improve the situation for humans everywhere.