

Special Keynote Address By Yang Amat Berhormat Dato' Sri Haji Fadillah Bin Haji Yusof, Deputy Prime Minister and Minister of Energy Transition & Public Utilities

**IN CONJUNCTION OF
2024 GLOBAL ECONOMIC AND STRATEGIC OUTLOOK FORUM (GESOF)
30TH JANUARY 2024**

INTRODUCTION

1. It is a distinct privilege for me to address this esteemed gathering of the 2024 Global Economic and Strategic Outlook Forum. May I also extend my heartfelt thanks to the KSI Strategic Institute for Asia Pacific, Economic Club of Kuala Lumpur, and World Digital Chamber for their commendable efforts in jointly organising this pivotal forum.

2. I am pleased to be speaking at this important event where forum like this is vital for discussing and understanding global and national challenges by bringing together diverse perspectives, fostering rich dialogue and ideas for the future.

3. I was informed that this forum has brought together a diverse mix of attendees, including public sector leaders, corporate captains and civil society changemakers. They will be addressing a range of topics, primarily focusing on economic and corporate outlooks. This variety of perspectives is what makes such events invaluable for understanding and shaping our future.

OPTIMISTIC GLOBAL OUTLOOK FOR 2024 DESPITE UNCERTAINTIES

Ladies and Gentlemen,

4. This year, it appears to me to be yet another unpredictable time. We are seeing a lot of unrest, with conflicts in Europe and the Middle East that are causing major disruptions. It is hard not to be concerned about these conflicts and their far-reaching effects.

5. There is also a lot of talk about political changes around the world and it is interesting to see how these might play out. High interest rates are another thing people worry

about which affects the cost of living. We will see how these impacts the global economy as the year goes on. We are also witnessing climate change in action, climate disasters which seems to be happening more often than ever before.

6. I believe there will be a big focus on the U.S. and China relations. As their economies are huge, whatever happens there can sway things globally. The geopolitics of it all is complex and there have been so many events lately particularly on the U.S.-China trade wars, COVID pandemic, Russia's actions in Ukraine and conflict in Gaza. It feels like all of these things are piling up and creating more uncertainty which is difficult to fathom.

7. My observation politically is that there are many interesting elections around the world this year to watch. For example, the U.S. presidential race in particular is going to be a big deal with Joe Biden and possibly Donald Trump in the mix. Then there is India where Narendra Modi is seeking for another term and Taiwan's new President elect and who is pro U.S and most certainly affect the U.S.-China relations. Nearer to us is Indonesia's election which is another interesting one, with the new president succeeding President Jokowi and his legacy.

8. As you may all be aware, despite these potential issues and uncertainties, I am feeling rather optimistic. Last year, people said it would be tough but we managed to avert recession and mitigate inflation. That gives me hope that this year could turn out well not just for Malaysia but for the world in general.

MALAYSIA WILL PUNCH ABOVE ITS WEIGHT

Ladies and Gentlemen,

9. Speaking of Malaysia, I am confident we have reasons to be optimistic about our country's political and economic outlook. Despite the challenges posed by ongoing geopolitical issues and economic risks, Malaysia is uniquely positioned to punch above its weight, as we have always done in the past.

10. For 2024, Malaysia's economy is expected to grow healthily between 4% and 5%, as forecasted by the Ministry of Finance. The Government is taking steps for example,

by reducing fuel subsidies and tweaking fuel prices to keep inflation in check. Additionally, our job market is strong, supported by positive business outlooks, low unemployment, and steady increases in real wages.

11. Towards this end, the Government is continuously providing substantial fiscal support with a development expenditure allocation of RM90 billion in Budget 2024. Our focus areas includes industrial development, green investments, infrastructure and enhancements in public utilities.

12. Our effective investment strategies have paid off well based on data from January to September 2023 where we have attracted RM225.0 billion in investments, a 6.6% increase from before. These investments come from 3,949 different projects and are expected to create 89,495 new jobs which reinforces Malaysia's strong performance and position in services, manufacturing, and primary industries.

Ladies and Gentlemen,

13. The implementation of key strategic plans like the Madani Economy, New Industrial Master Plan (NIMP) 2030, the National Energy Transition Roadmap (NETR) and Mid-Term Review of the 12th Malaysia Plan will further catalyse both Foreign Direct Investment (FDI) and Domestic Direct Investment (DDI) in 2024.

14. Likewise, Infrastructure development will continue to be a major economic driver with major ongoing projects like the Klang Valley Light Rail Transit 3 (LRT3), East Coast Rail Link (ECRL), Klang Valley Mass Rapid Transit 3 (MRT3), Penang LRT and Johor Bharu-Singapore Rail Transit System (RTS) which are set to bolster economic activities.

15. Moreover, the Johor-Singapore Special Economic Zone and Special Financial Zone in Forest City promises to significantly enhance economic activities and strengthening various sectors such as education, finance and tourism in the country.

16. This extensive list is only a preview of what the Malaysia Madani Government has in store for our nation where each project and initiative is testament to our commitment in embracing innovation and entrepreneurship in paving the way for a brighter future.

17. Bolstered by the political stability evidenced by our Government's two-thirds majority in Parliament, Malaysia is exceptionally well-positioned for a prosperous future. This strong political footing allows us to engage in strategic planning, implement robust economic policies, and nurture a dynamic, resilient economy.

MALAYSIA'S EMPHASIS ON JUST ENERGY TRANSITION

Ladies and Gentlemen,

18. In this third part of my speech, I would be remiss if I did not briefly touch on the crucial topic of energy transition, a new portfolio that I am honoured to helm.

19. At this juncture, let me reaffirm Malaysia's commitment to be carbon neutral by 2050. In tandem with this, we aim to reduce greenhouse gas emissions by 45% by 2030 in line with the Paris Agreement. This ambitious goal is being pursued through the National Energy Transition Roadmap (NETR) and the New Industrial Master Plan (NIMP) in ensuring a just and inclusive transition towards a sustainable low-carbon economy.

20. The NETR targets 31% of our power from renewables by 2025, increasing to 40% by 2040 and to support this transition, the government has allocated RM2 billion for the National Energy Transition Facility and established the National Energy Council to implement and monitor its progress.

21. Therefore, accelerating renewable energy deployment and ensuring grid reliability is crucial. Significant investments including TNB's Grid Development Plan to facilitate this energy transformation and Green initiatives like the Renewable Energy Certificate trading platform aligns with our environmental commitments in setting the stage for digital-led sustainable practices.

22. At the recent COP28, Malaysia reaffirmed its commitments to reduce its carbon emissions and emphasised the need for inclusive climate action and fair financial contributions from developed nations. Our journey towards sustainability is geared to balance economic growth and environmental stewardship, at the same time calling for global collaboration to achieve a just and equitable energy transition for all of us.

Ladies and Gentleman,

23. As a Sarawakian, please allow me to briefly mention that Sarawak is leading Malaysia's charge against climate change. The historic Environment Bill passed in November last year makes Sarawak the first in the country to legislate such proactive measures.

24. This bill aims for a 45% reduction in emissions by 2030 which is not just a plan but an actionable path forward in setting a rigorous standard for businesses in emissions reporting and paving the way for green energy advancements and sustainable development. I am hopeful when Sarawak moves, Malaysia will also move with it!

CALL TO ACTION

25. As we continue our journey in 2024, the need for collaboration in climate action is more pressing than ever before. As such, I call upon the private sector and civil society to forge strong partnerships, particularly public-private-people partnerships to collectively accelerate our progress in combating climate change and achieving sustainable development goals.

26. These partnerships offer a powerful platform for innovation, information sharing and driving meaningful change. By working together, and leveraging on each other's strengths and resources, we can create impactful and lasting solutions in addressing the environmental challenges we all face.

Finally, let us all unite in this vital mission for a sustainable future in this complex and constantly evolving global environment. Thank You.