



**MINISTRY OF
INVESTMENT, TRADE AND INDUSTRY**

Keynote Address

by

Honourable Senator

Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz

Minister of Investment, Trade and Industry of Malaysia

for

UK-ASEAN Business Forum 2025

**Growing Together: Connecting a Sustainable, Digital and
Shared Future**

Session One on Growing Together

11 March 2025, 09:10 am

HSBC, 8 Canada Square, E14 5AH, London

Baroness Jones of Whitchurch,

Parliamentary Under-Secretary of State at the Department for Science, Innovation and Technology and the Department for Business and Trade

The Rt Hon Lord Vaizey of Didcot

Chair of the UK-ASEAN Business Council (UKABC);

Mr. Stuart Tait

Vice Chair of the UKABC;

Mr. Ian Gibbons OBE

Chief Executive of the UKABC;

YBhg. Tan Sri Nazir Razak

Chairman, ASEAN Business Advisory Council 2025;

Captains of Industry from ASEAN and the United Kingdom;

Excellencies, distinguished guests, ladies and gentlemen,

Good morning.

1. It is a privilege to be here among esteemed leaders of the UK-ASEAN Business Council (UKABC) and distinguished industry captains from both the United Kingdom and ASEAN.
2. I would like to extend my gratitude to UKABC for this opportunity to address such an influential audience. The theme of today's forum, "Growing Together: Connecting a Sustainable, Digital and Shared Future", resonates deeply with Malaysia's vision for our ASEAN 2025 Chairmanship, "Inclusivity and Sustainability." I look forward to sharing Malaysia's aspirations as we take on this important role.

HIGHLIGHTS FROM AEM RETREAT

Ladies and Gentlemen,

3. Just over a week ago, I **chaired the 31st ASEAN Economic Ministers (AEM) Retreat in Johor, Malaysia**, where we had in-depth discussions on ASEAN's challenges, key milestones, and deeper economic integration. A central

concern among ministers was the evolving geopolitical landscape and its impact on regional economic growth.

4. As a trading bloc, ASEAN is deeply interconnected, not only within the region but also with global markets through trade, foreign direct investments (FDIs), and supply chains. In 2023, ASEAN's total trade reached **USD3.5 trillion (~GBP2.7 trillion)**, with a surplus of **USD96.7 billion (~GBP75 billion)**, up **24%** compared to 2022 (**USD78.1 billion**). Intra-ASEAN trade accounted for **22.1% (USD759.02 billion or ~GBP589 billion)**, while **77.9% (USD2.77 trillion or ~GBP2.15 trillion)** was with external partners, including **USD35.09 billion (~GBP27.3 billion)** in trade with the UK. Given our reliance on international trade, any global disruptions directly affect ASEAN's economic stability.
5. Amid growing trade tensions, geopolitical shifts, and rising protectionism, ASEAN must remain agile, proactive, and strategic in navigating these challenges.
6. At the AEM Retreat, we reaffirmed our commitment to **regional economic integration** and charted a path for ASEAN to become the **world's fourth-largest economy by 2030**. This requires leveraging emerging trends in the

Digital Economy, Green Economy, Science, Technology & Innovation, and expanding partnerships with new and emerging markets to diversify ASEAN's role in global supply chains.

ASEAN CHAIRMANSHIP FROM THE PERSPECTIVE OF MALAYSIA'S PED 2025

Ladies and Gentlemen,

7. As ASEAN Chair in 2025, Malaysia has the privilege of setting the **Priority Economic Deliverables (PEDs)**, key economic initiatives that drive ASEAN's growth. For 2025, we have curated PEDs that will **deepen economic integration, enhance trade and investment, drive inclusive growth, advance sustainability, and accelerate digital transformation**. These priorities reflect our vision for a more resilient and future-ready ASEAN.
8. Malaysia's **Priority Economic Deliverables (PEDs)** will be pivotal to our ASEAN Chairmanship, marking key milestones for the region in 2025. A major achievement will be the **ASEAN Trade in Goods Agreement (ATIGA)**

upgrade, which will enhance regional trade and economic connectivity.

9. Malaysia's PEDs also focus on **strengthening economic integration and supply chain resilience** by fostering cross-border cooperation in high-impact industries like **semiconductors, renewable energy, and tourism**. Strengthening supply chain linkages in these sectors will help **mitigate risks from global disruptions** while reinforcing ASEAN's position as an **innovation-driven economic hub**.
10. There is vast potential for UK industries to explore ASEAN's end-to-end supply chain capabilities, and where gaps exist, UK businesses can play a role in developing and operating those critical areas.
11. Another key PED is accelerating ASEAN's transition to the **Green Economy** through **sustainable investment frameworks, electric vehicle (EV) adoption, and climate-resilient finance mechanisms**. While ASEAN Member States vary in economic maturity, the region is committed to balancing **growth with sustainability**.
12. This year, Malaysia will champion initiatives like the **ASEAN Sustainable Investment Guidelines (ASIG)** and the

ASEAN Center of Excellence for MSMEs in Green Transition to establish regional best practices.

13. The UK is a leader in **financial services innovation and green finance regulation**, with institutions like the **UK Center for Greening Finance and Investment (CGFI)** and **UK Climate Investments (UKCI)** setting global benchmarks. ASEAN can **leverage UK expertise** to accelerate its green finance strategies and integrate sustainability into economic planning.

Ladies and Gentlemen,

14. **Digital transformation** is a top priority for Malaysia's ASEAN Chairmanship. Our PEDs include initiatives to **advance e-commerce, FinTech, AI, and cybersecurity**, ensuring that the benefits of the **Digital Economy** are inclusive across ASEAN.
15. A landmark achievement in 2025 will be the **Digital Economy Framework Agreement (DEFA)**, which will **harmonize regulations, standards, and practices to facilitate cross-border digital trade and data flows**. With the potential to **double ASEAN's Digital Economy to**

USD2 trillion by 2030, DEFA has drawn interest from **UK tech companies and global players**.

16. Capacity-building in **digital governance and standards** remains a key challenge, and we welcome the UK's **collaboration and expertise**. I understand that **UKABC has been engaging with the ASEAN Secretariat and DEFA negotiating committee**, and we look forward to strengthening this partnership for mutual benefit.

REFLECTION ON PRESENT AND FUTURE OF THE AEC

Ladies and gentlemen,

17. The initiatives under Malaysia's ASEAN Chairmanship are not entirely new ambitions but rather a continuation of the **ASEAN Economic Community (AEC) Blueprint 2025**, which was first adopted during Malaysia's previous Chairmanship in 2015. Over the past decade, this Blueprint has driven ASEAN's **regional economic integration**, and our focus in 2025 is to **amplify its efforts** while aligning with **emerging economic trends and high-growth sectors**.

18. The AEC Blueprint has already delivered significant benefits, including:

- i. **Firstly, trade liberalization**, with the elimination of intra-ASEAN tariffs and stronger trade ties with ASEAN's Dialogue Partners. The **Regional Comprehensive Economic Partnership (RCEP)** stands as a key achievement, enhancing ASEAN's economic relationships with five major trading partners.
- ii. **Secondly, services sector liberalization**, creating new opportunities in **finance, logistics, and professional services**.
- iii. **Thirdly, advancing the Digital Economy**, by strengthening digital connectivity and regulatory harmonization, paving the way for the **Digital Economy Framework Agreement (DEFA)**, a major leap forward in ASEAN's digital integration; and
- iv. **Lastly, infrastructure and logistics improvements**, enhancing regional connectivity and facilitating seamless trade and investment flows.

19. Many of you who have been engaged in ASEAN over the past decade have witnessed first-hand how these developments have transformed the region's economic landscape.
20. Looking beyond 2025, ASEAN is finalizing the **AEC Strategic Plan 2026-2030**, which will **build on the Blueprint's achievements** and guide ASEAN's economic priorities for the next five years. This plan is aligned with the broader **ASEAN Community Vision (ACV) 2045**, both of which will be **adopted at the 46th ASEAN Summit in May**. The aim is clear; **a stronger, more integrated, and future-ready ASEAN economy**.

CLOSING

Ladies and gentlemen,

21. As we conclude, I want to emphasize the **importance of continuous engagement** between ASEAN and the UK in expanding business opportunities and deepening the strong economic ties we have built, whether through **Government-to-Government cooperation** or **Business-to-Business partnerships**.

22. ASEAN remains steadfast in its **commitment to fostering a business-friendly environment**, prioritizing **certainty, accountability, efficiency, and transparency** in our policies and service delivery.
23. I encourage you to engage with us, not just at the **Leaders and Ministerial levels**, but also through **ASEAN's Senior Economic Officials and the ASEAN BAC platform**, to further strengthen ASEAN-UK trade and investment. Together, let's continue driving shared prosperity and a brighter future for all.

Thank you.