

Keynote by
HON. DATO' SRI PETER CHIN FAH KUI
Minister of Energy, Green Technology and Water, Malaysia MALAYSIA-
EUROPE FORUM
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The Honourable Tan Sri Rafidah Aziz,
Advisor, Patron and member, Board of Trustees,
Malaysia-Europe Forum

Dr. Christoph Matznetter
Vice President of the Austrian Federal Economic Chamber

Distinguish Panelists

Members of The Austrian Federal Economic Chamber

Distinguished Guests,

Members of the Media,

Ladies and Gentlemen,

Good Morning.

1. Firstly, I would like to convey my deepest appreciations to the Malaysia-Europe Forum (MEF), specifically to my dear friend, H.E. Tan Sri Rafidah Aziz, for this opportunity for me to be here and address such an august assembly of green technology enthusiasts. I would also like to take this opportunity to thank the Austrian Federal Economic Chamber for kindly hosting this forum in beautiful Vienna and also for the kind hospitality accorded to my delegation and myself.

2. This is the second year I have been invited to the MEF's spring dialogue. Last year, I attended the dialogue in Munich and was deeply impressed with the response there and thus, here I am again, with much pleasure. I am hopeful that today will be equally productive, if not more so. I would like to take this opportunity to commend the Malaysia-Europe Forum for its pro-active efforts and it has certainly proved itself to be an important vehicle to further enhance Malaysia-Europe relations. Dialogues such as these allow us to understand one another better for joint and mutual benefits, as well as to create avenues for the growth of trade and business linkages between us. On behalf of the Government of Malaysia, I would like to convey our sincere gratitude to the Malaysia-Europe Forum.

Ladies and Gentlemen,

3. It is indeed fortunate that we have the MEF, which does much good work to promote Malaysia-Europe business and trade. We are fully aware that Europe is an economic powerhouse. It is indeed the world's number one economy, churning out about 30% of the world's GDP and a very lucrative market with more than 500 million consumers.

4. Malaysia, on the other hand, is the second largest trading partner of the EU within ASEAN. In 2009, the EU accounted for 11.2 per cent of Malaysia's global trade and 10.8 per cent of Malaysia's total exports. The EU is the third overall bilateral trade partner of Malaysia. I was also made to understand that there are more than 2,000 European companies present in Malaysia.

5. Thus, it is no surprise that we have launched the Malaysia-EU Free Trade Agreement, which commenced the first round of negotiations in December 2010. We are excited because this FTA will not only bring enormous benefits to Malaysia, but also to the EU. When we relax the trade regimes between Malaysia and EU and facilitate freer flow of trade and investments between our two countries, I imagine there should be an explosion in trade and business between Malaysia and Europe.

Ladies and Gentlemen,

6. Malaysia has had a fantastic economic growth until the late 90's. After the global financial crisis in 2008, we realized that there were some fundamental changes necessary to ensure we were on track to be a developed nation by 2020. We were stuck in the middle-income groove and structural changes to the economy were necessary for us to climb out of it.

7. Under the current premiership of The Right Honourable Dato' Sri Mohd Najib Tun Abdul Razak, enormous initiatives have been set in motion to rectify the problems and to facilitate for economic resurgence. Recently, we have unveiled the New Economic Model to transform the Malaysian economy. One of the targets is to raise the per capita income of Malaysia from the current USD 7,500 to USD 15,000 by 2020. We foresee this as an achievable target as we expect the Malaysia economy to grow at about 6% per annum.

8. The main driver of the transformation process would be the Economic Transformation programme or the ETP. The ETP will focus on 12 National Key Economic Areas (NKEAs) which have been identified as our key growth engines. The Malaysian Government will work hand-in-hand with the private sector to implement the ETP. In fact, the ETP will be led by the private sector and the Government will be the facilitator. Most of the funding will come from the private sector (92%) with public sector investment being used as a catalyst to spark private sector participation.

9. In addition, the Malaysian Government is also aggressively exploring liberalization initiatives at present to attract a greater inflow of foreign investment. We intend to increase the services sector's contribution to GDP from the present 55% to more than 65%. In the 2011 budget speech, the Prime Minister announced several initiatives surrounding Green Technology including the extension of Pioneer Status and Investment Tax Allowance on energy generation from renewable energy and energy efficiency activities until 31st December 2015 and the exemption of import duty and excise duty on Hybrid Cars. He is expected to announce further, such attractive liberalization offers during the upcoming 2012 Budget announcement. We hope European companies will be attracted by the new offers and increase their investments in Malaysia soon.

Ladies and Gentlemen,

10. I am also very pleased to announce here that the Malaysian Parliament has just passed the Renewable Energy Act and together with Feed-in Tariff (FiT) mechanism, we are expecting to open a new chapter for RE in Malaysia. The Act and the FiT is expected to be implemented in June 2011 and I am confident that this will see a surge in the development of RE in Malaysia.

11. We have abundant biomass and thus, there is enormous scope for RE from biomass, especially palm oil biomass. I am aware that Europe has excellent technologies for biofuels, especially anaerobic

digestion technologies. We would like to invite technology owners to explore investing in the said technology in Malaysia. We also have abundant sun and we have three of the global manufacturers of photovoltaic cell in Malaysia. Herein lies another opportunity for European investors. We are expecting growth in both solar farm and rooftop applications for PV in Malaysia, with the introduction of FiT.

12. I have with me here in Vienna, my officers from the Ministry who would be able to provide further details to you on the specifics of the law and also the FiT. I hope that what Malaysia offers in terms of specifications and FiT for RE would meet your expectations. Please feel free to comment if there are any shortcomings which you feel we could rectify.

Ladies and Gentlemen,

13. We are also aware of the developments on green technology in Europe. The EU Roadmap for moving to a competitive low carbon economy in 2050 is a formidable tool to push Europe to become a low carbon economy. As in the EU, energy efficiency (EE) is also a priority in Malaysia. We are now in the process of drafting our EE master plan and associated law. As you may be aware, Malaysia has made a pledge to cut our carbon intensity by 40% in 2020 based on 2005 levels and the main weapon towards that

would be EE. Malaysia is looking towards foreign EE technologies and applications and I am confident that EU would be well positioned to work with Malaysia in this area.

14. We are also in the process of developing a national Eco-Labeling Programme. This will further strengthen the Green Technology agenda in Malaysia. Towards that, I would like to request European partners to develop competent human resource and also appropriate technology transfer schemes.

15. My Ministry is also working on the electric vehicles (EVs) program. We have targeted to have 10% of all cars in Malaysia to be EVs in 2020. Our national car manufacturer, PROTON, is already working on prototypes for EVs and a fleet test will be implemented soon. In addition, NISSAN has also shown enthusiasm to introduce EVs in Malaysia. I would also like to invite European EV players to make their presence felt in Malaysia.

Ladies and Gentlemen,

16. Those are just the main initiatives which Malaysia is undertaking. We have many more initiatives on green technology. My officers here would be providing you with more detailed information. In addition, I have also invited Malaysia companies in green technology to be present here. I hope, during your

networking sessions, some good collaborations can be established between Malaysian and European companies.

17. Before I conclude, I would like to once again thank the Malaysia-Europe Forum for inviting me to be here today and for providing this excellent opportunity to enhance Malaysia-Europe trade and business relations. I also thank the Austrian Government for supporting and facilitating this event.

18. I hope you have a very fruitful session here for the benefit of both Malaysia and Europe.

Thank you.