

# Steady Growth Path

## AMBASSADOR INSIGHT

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MALAYSIA is strategically located in the heart of Southeast Asia, making it the ideal gateway for Irish companies to access the vast ASEAN market, which has a combined GDP value of US\$2.4tr encompassing a total population of 604.8 million.

Under the ASEAN partnership, the ASEAN Economic Community (AEC) is scheduled to be executed in 2015 which will transform ASEAN into a region with free movement of goods, services, investment, skilled labour, and free flow of capital.

Other than the ASEAN market, Malaysia is also a gateway to other markets with preferential access through its free trade agreements (FTAs) – with China, Japan, India, Korea, Australia, New Zealand, Chile and Turkey. The total potential market value is US\$2.4tn with tariff reduction mostly eliminated by 2016.

Aside from the strategic location, Irish companies should consider Malaysia as a centre of investment as it offers better infrastructure and utility services than other markets, a reasonable cost of living, suitable business environment and abundance of qualified human capital.

Malaysia welcomes high value-added, high capital intensive and knowledge-based investment into the country.

The economy is driven by the government's target to achieve a developed nation status by 2020. In line with this, the government launched the national Economic Transformation Programme, with a gross national income (GNI) per capita target of US\$15,000 and the goal of attracting US\$444bn in investments and creating 3.3 million new jobs.

Various programmes have been identified to achieve GNI growth. These industries or sectors are known as the 12 National Key Economic Areas (NKEAs).

Based on these NKEAs, the sectors of most interest from Ireland's perspective are education, healthcare, tourism, business services, communications content and infrastructure and agriculture and regional establishment.

Malaysia also promotes the following sectors in which Irish companies have strength: life sciences, information

and communications technologies; food and drink; high-tech manufacturing; and clean/green technology.

Ireland and Malaysia have to work together to engage more Irish industry players, such as the Irish Food & Drink Federation, Ireland Renewable Energy Association, Irish Edible Oils Association and other relevant industry bodies to promote the acceptance and sustainability of Malaysian palm oil products.

Malaysia is one of the top exporters of palm oil to Ireland. Palm oil is used for food, cosmetics and many other products. It is found in one out of ten supermarket products. Palm oil is also being increasingly used to replace other oils for biofuel to meet the EU targets and standards.

In the education sector, we are focused on sustainable engagements and smart partnerships between universities in Malaysia and Ireland as follows:

- Research collaboration – in the fields of aerospace, maritime, sport sciences, and agriculture. Medical oriented studies such as food technology and allied health sciences could be other possible options that could be looked into and expanded further.
- Student exchange programme – undergraduates gain international exposure and skills, which help in both personal and professional development and stimulate creative ideas, enhance relationships and strengthen the understanding of cross-cultures.
- Staff exchange programme – sharing best practices, initiatives, expertise and working procedures. This helps to improve skills, motivation, gain new perspectives, expand networking and promote knowledge exchange.
- Knowledge exchange – exploring more opportunities for academics to do post-graduate courses and do their sabbatical in Ireland and Malaysia. Malaysia intends to invest more in the professional talent development agenda as more specialists and researchers are needed in the future.

There are positive signs from Irish companies looking into ASEAN markets and setting up offices in Malaysia.

With the ever increasing sectors that could be exploited, Malaysia looks forward to welcoming more Irish investors in addition to the existing Irish companies SteriPack, Dorteck, Openet and Scandisks.

## ECONOMIC OVERVIEW

THE MALAYSIAN economy is expected to remain on a steady growth path with economic activities continuing to be supported by growth in domestic demand amid a moderation in exports.

Moving forward, domestic demand will remain as the key driver of growth. While private consumption is expected to moderate, it will remain supported by the steady rise in income and employment, and the additional disposable income from lower oil prices.

Investment activity is projected to remain resilient, with broad-based capital spending by both the private and public sectors cushioning lower oil and gas-related investment activity. While export growth will be affected by lower commodity prices, the performance of manufactured exports is expected to improve.

Inflation for 2015 is expected to be lower than earlier anticipated due to lower energy and commodity prices.

Banks in Malaysia have very strong ratings. Malaysian banks are among the top-five highest-rated banking systems in the Asia Pacific including Japan and are ranked second in ASEAN.



## NATIONAL FLAG

The flag of Malaysia, also known as the Jalur Gemilang (stripes of glory), comprises a field of 14 alternating red and white stripes along the fly and a blue canton bearing a crescent and a 14-point star known as the Bintang Persekutuan (Federal Star).

The 14 stripes, of equal width, represent the equal status in the federation of the 13 member states and the federal government, while the 14 points of the star represent the unity between these entities.

The crescent represents Islam, the country's official religion; the blue canton symbolises the unity of the Malaysian people; the yellow of the star and crescent is the royal colour of the Malay rulers.

- **NATIONAL DAY:** 31 August
- **DATE WHEN DIPLOMATIC RELATIONS ESTABLISHED BETWEEN MALAYSIA AND IRELAND:** 10 January 1974

## Key facts...

- **National population:** 30.26 million (2015 est)
- **List of top five cities and population of each:**
  - Kuala Lumpur (capital): 1,674,621
  - Johor Bahru: 1,386,569
  - Georgetown: 520,202
  - Ipoh: 767,794
  - Kuching: 617,887
- **Area Total:** 330,290 sq km
- **Currency:** ringgit (MYR)
- **Religion/s:** Islam (official) 61.3pc, Buddhist 19.8pc, Christian 9.2pc, Hindu 6.3pc, Confucianism, Taoism, other traditional Chinese religions 2.6pc
- **Language/s:** Malay (or Bahasa Malaysia as known locally), English is spoken widely as it is compulsory in education and is used widely in government, business and media. Other languages are spoken also such as Chinese (various dialects including Mandarin, Cantonese, Hokkien, Hakka, Hainan and Foochow), Tamil and Hindi.
- **Bilateral trade with Ireland:** US\$480.44m (2014 estimate)
- **Irish exports to Malaysia:** US\$341.31m (2014 estimate)
- **Malaysian exports to Ireland:** US\$139.13m (2014 estimate)
- **GDP:** US\$326.9bn (2014 estimate)
- **GDP (purchasing power parity (PPP)):** US\$746.1bn (2014 estimate)
- **Real GDP growth:**
  - 2015: 4.7pc (Asian Development Bank projection)
  - 2014: 6pc
  - 2013: 4.7pc
  - 2012: 5.6pc
- **GDP per capita (current prices):** US\$10,803.5 (2014)
- **GDP per capita (PPP):** US\$24,654.2 (2014)
- **GDP share of world total:** 0.7pc
- **GDP sector breakdown:** agriculture 11.2pc, industry 40.6pc, services 48.1pc (2013 figures)