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**SPEECH BY
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President of International Strategy Institute

Distinguished Guests, Ladies and Gentlemen.

Salam Sejahtera and a very good afternoon

1. Thank you for inviting me for this auspicious occasion to address the Corporate Malaysia Summit, a great platform to bring both the new Government of Malaysia and the corporate sector together, to align on policy direction and public-private strategies to bring Malaysia back on track.

2. Malaysia as you know has seen one of the most amazing transformations in the history of the modern world. After 61 years, we have a change of Government, a Pakatan Harapan Government that gives new hope of better governance and better life for Malaysians. This is a New Malaysia that we need to build together, and with the support of the people and business sector I am confident Malaysia will see its glory days once again.

Ladies and gentlemen

3. One of the main reasons for the birth of giant companies in countries like China and the US, is the idea of infant industry protection. This means that strategic companies in strategic industries receive special support from their respective governments to grow in a protected environment, with regulated competition from more matured players in the market.

4. This has given birth to some of the biggest giants such as Alibaba in China. Such is the case also with the agriculture sector in the European Union.

5. Despite the rhetoric of free trade in Europe, agriculture remains one of the most important pillars in the European region and the most protected. So much so that "agricultural" taxes are imposed on a variety of exports coming into Europe, to subsidise the agriculture industry in order for the companies to grow and scale. This is the reason why European agriculture companies are able to grow into huge corporations that are able to export worldwide.

6. This was apparent in South Korea with the steel sector. A country which has no competitive edge whatsoever in steel in the 1950s, is now one of the biggest players in global steel production, thanks to the huge government support and investment.

7. The point I am trying to make here is that, despite incessant calls for free trade in the West, all of them started off with infant industry protection strategies, as the only effective way of creating big giants of their economies. So to insist on unbridled free trade for emerging countries in Asia and Africa, is implying that we should not protect our local companies against the full heat of free trade.

8. Similarly with our primary industries, which has contributed a total value of **RM179.8 billion in 2017** to the economy thus far. We need to understand that we are facing a formidable competition for agricultural trade dominance particularly palm oil with the European Union, who have their own interest at hand to promote their agriculture exports.

9. And just as they impose taxes to protect their agricultural sector, they also impose sustainability standards on our palm oil practices here in Asia to increase the barrier to growth of our commodities sector. It is therefore imperative upon us to make sure we engage regularly with our European counterparts to ensure that our palm oil industry is sustainable and remains competitive in global trade.

10. This is something we need to make sure because a bulk of the Malaysian population, especially the most vulnerable ones, work in the agriculture sector for their livelihood. A lot of poor families will be affected by EU's hard stance on palm oil, and we must make it our priority to not only protect and support this industry, but most importantly to make sure the welfare of these workers and their families are taken care of.

Ladies and gentlemen

11. In the commodities sector, we need to now explore new ways to empower smallholders. One of the most effective ways is the nucleus-plasma farming concept that insists that big agriculture companies procure a significant proportion of their agriculture input from small farmers as well.

12. Such arrangement directly puts small farmers into the mainstream economic activity and gives them a stable income. The government supports this kind of arrangement where with a strong relationship between big agriculture companies and smaller producers, we can have a strong competitive advantage to export beyond Malaysia.

13. Support and investment by the government and private sector is needed here to grow and scale the industry to be export-ready. Indeed, I hope that this partnership will be something that can be worked on between the new government and the private sector.

14. A strong commodities sector, an empowered local populace and a strong infant industry strategy without violation to any rules of WTO, are key ingredients of strong and sustainable economic growth. This can only happen when we work together towards this common objective.

15. To end my speech, I would like to thank the organisers of the Corporate Malaysia Summit for giving me this opportunity, and I am glad to see there are more in the Corporate Malaysia Series across key states like Sabah, Kedah, Melaka and so forth. The PH government looks forward to support this platform and bring government and business closer together. Thank you.