

LATEST 12/12/18/1440HRS - CHON

**KEYNOTE
YANG AMAT BERHORMAT
DATO' SERI HJ. MUKHRIZ TUN MAHATHIR
MENTERI BESAR KEDAH DARUL AMAN**

KEDAH INTERNATIONAL BUSINESS AND INVESTMENT SUMMIT

**AT
THE ALOFT
PANTAI TENGAH, LANGKAWI**

THURSDAY | 13 DECEMBER 2018 | 10.00 AM

Mr Cheah Chyuan Yong,
Chairman of the International Strategy Institute

Yang Berbahagia Tan Sri Michael Yeoh,
President of the International Strategy Institute

State and Federal Heads of Departments

Distinguished Guests

Ladies and Gentlemen

Assalamualaikum Warrahmatullahi Wabarakatuh

I wish a pleasant morning to all of you here today.

1. A few months ago, Malaysia experienced a political upheaval unprecedented in its history. For the first time in 61 years, Malaysia voted against the government that has been ruling the country since our independence.

2. This was the government that negotiated our independence from the British; the government that protected our rights as citizens; the government that safeguarded the Sultans and the Constitution; and the government that brought progress to this country.

3. But this was also the very same government that betrayed the trust of the rakyat, the people, by enriching only themselves; the same government that practised rampant corruption; and the same government that gave birth to the first kleptocratic regime in our history.

4. This demonstrates that without the adherence to values that made us who we are, we are worthless in the eyes of the public. Without integrity and accountability to the people, decades of hard work towards progress can be just wiped out.

5. It is therefore important that values are upheld in this new chapter of our history. The values that built our country must continue in order for us to achieve harmony and progress.

6. Respect and coexistence between races has become the hallmark of our nation-building process. In building our country, we must never leave anyone behind lest we create a country with a huge income disparity resulting in discontent amongst the people.

7. Protection of disadvantaged communities, however big they are, is crucial if we are to create an equal society. But protection is not enough. We have to educate and empower them so that they are able to rise as a people to compete with others, and on the world stage.

8. The business world is no different. Without infant industry protection, Alibaba, China's multi-billion dollar e-commerce company, would never have survived the heat of competition from Amazon if the latter was allowed to operate freely in the country. And that's why Alibaba is what it is today, able to survive and thrive on its own.

9. In the 1960s, South Korea decided that self-sufficiency in steel production was essential to economic development. Despite possessing no iron ore, the government decided on a bold move to become a steel producer.

10. With a combination of government investment and a barrier to foreign steel imports, Korea succeeds to become one of the largest steel producers in the world, able to compete with giants like the United States.

11. 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 imports coming into Europe, to subsidize the European agriculture industry in order for the companies to grow and scale.

12. This is the reason why European agriculture companies are able to grow into huge corporations that are able to export worldwide.

13. Closer to home, Proton was to follow the same model as we believed and still believe that becoming a car-making nation allows huge technology transfer into the

country, nurtures home-grown innovations creating thousands of new jobs, and is able to propel the country to greater heights.

14. Unfortunately, the previous government was more interested in short term gains and stripped Proton from its protection, leaving it to compete with advanced Japanese and European brands in the market. This was a huge loss for Malaysia.

15. In Kedah, we are known as the Rice Bowl of Malaysia, precisely because it is this state that provides most of the staple food for the whole country. In our case, in the name of food security we provide all kinds of subsidies and supply a variety of fertiliser and pesticides. But perhaps due to outdated technology, and the failure to uplift farmers out of poverty, we fail to scale production, and end up relying on imports from neighbouring countries. This is detrimental to the wellbeing of our farmers whose livelihood depends on agriculture.

16. The federal and state governments therefore must come back to sound economic policies to get the country back on track. While we are bound by ASEAN's Free Trade Agreement and have limitations on industry protection, we have full control of domestic policies.

17. As such, Malaysia should learn from Vietnam in supporting its agriculture base, by ensuring compulsory purchases of local agricultural products. And at the same time, invest in agritech, to ensure scale and quality of our local products, ready to be exported on the world stage.

18. Relying on traditional crops alone may not bring on optimal agricultural revenue for Kedah. Hence, we are evaluating the possibility and viability of planting alternative crops to supplement farmers' earnings. One such crop is sorghum, commonly used as feedstock and offers many times more yield than paddy.

19. There are plenty of opportunities in the agricultural sector in Kedah. Agencies like the Muda Agriculture Development Authority (MADA) are prepared to collaborate with investors in harnessing the potential of improving agricultural revenue for the state and simultaneously uplifting the socio-economic status of the farming communities.

20. Ladies and gentlemen, this is a new chapter for Malaysia, one that if we play it right, we stand a chance to become a world-class country in the near future. We hope that platforms such as KIBIS continue to gather innovative ideas and spur the right connection between the right people in business and government.

21. Kedah is at the cusp of something great. With the Kulim Hi-Tech Park raking in RM31 billion of foreign and domestic investments since its inception in 1996, a plan to build the Kulim International Airport (KXP) and the Special Border Economic Zone (SBEZ) in the border town of Bukit Kayu Hitam, we hope to attract major manufacturing giants and innovative companies that can transfer state-of-the-art technology to improve the quality of the country's industries as a whole.

22. Along the Kedah-Thailand border, with the new Kota Perdana Special Border Economic Zone, the Kedah Science and Technology Park and the Kedah Rubber City projects, the state is moving towards developing synergistic economic activities with Thailand and opening up greater opportunities in the manufacturing sector.

23. All these will be a boost to the manufacturing sector in the state, with readily available and new infrastructure and facilities being developed to complement and facilitate new investments.

24. Moving towards hi-tech and innovation in manufacturing certainly means there will be a need for capable and highly skilled manpower and human talent. In anticipation, we are upskilling our work force with relevant skills through education and training. In addition, there are several universities, vocational institutions and skills training centres in and around Kedah that can be relied on to produce manpower with the right knowledge, knowhow and skills.

25. Kedah will also lead in new eco- and archeo-tourism sectors in Malaysia, being at the forefront of natural and historical conservation through the Langkawi UNESCO Global Geopark, Jerai National Geopark, Bujang Valley Historical Complex and Sungai Batu archeological site projects that will undoubtedly spur new jobs and new tourism coming from all over the world.

26. There is great potential to develop and promote the newly discovered seat of ancient Kedah civilisation at Sungai Batu in Merbok. If Indonesia has its Borobudur and Cambodia its Angkor Wat, Malaysia can soon boast of a tourism site of equal significance via this discovery of ruins of an ancient Kedah civilisation dating over 2,600 years ago.

28. I am stoked in this exciting new chapter, and I hope you are too. I wish to impress upon you again that the Kedah State Government is open to accepting viable and creative ideas to further develop the state by making optimal use of existing and potential resources that are available here.

29. Hopefully this Summit will generate valuable ideas and comments that the Kedah State Government can build upon to help tweak its development plans involving the crucial sectors and attracting more inflows of investments to the state.

30. I wish you all the best for the day, get inspired, make connections and I hope that relationships we foster here will bear fruit and last forever.

Thank you.

Wabillahitaufig Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.