



2nd PENANG INTERNATIONAL BUSINESS INVESTMENT SUMMIT (PIBIS)

“Growth Through Partnerships, Capitalizing On Opportunities”
25 MARCH 2022 | SETIA SPICE CONVENTION CENTRE, PENANG

• VVIP Attendees:

YB. Dato’ Sri Haji Mohammad Najib Bin Tun Haji Abd Razak
Dato’ Sri Dr. Md Zabid Bin Haji Abdul Rashid
Dato Tan Teik Cheng

• Moderators:

Kamarul Bahrin Bin Haron

• Panelists:

Datuk Leong Teong Li
Dr. Chan Tze Haw
Saiful Bahari Baharon
Ms. Khor Xin Yun
Mej. Prof. Logistician Chang Kah Loon
Log. Leong Kin Wah
Dato' Sasedharan Vasudevan
Dato’ (SN) See Nee Lee
Chan Huan Gee
Mr. Kishva Ambigapathy

ABOUT 2nd PENANG INTERNATIONAL BUSINESS INVESTMENT SUMMIT (PIBIS)

One of the key economic hubs in Malaysia is Penang, often known as the Pearl of the Orient. Penang's economy has expanded significantly since the 1970s. Penang sustained a GDP growth above the national average until 2005 because of a strong supply chain, modern infrastructure, and a friendly business environment.

The low-cost scenario makes it a strategic location to set up manufacturing chain operations. In 2007, 200 multinational companies established large-scale operations in Penang, making the state a leader in the manufacturing sector and a growth centre in the northern region. The major industries in Penang are electrical and electronics, manufacturing, and services.

Penang's general economic situation has changed due to the export-oriented strategy adoption that aims to develop the state. In fact, Penang is no longer a low-cost centre of the industry. Once Malaysia shifts from an upper middle-income country to a high-income, the traditional market will slowly decline. Recognising this economic shift, the federal and state governments accelerated Penang's industrialisation process while putting special emphasis on creating a knowledge-based economy to produce high-value goods and services, such as high-tech electrical and electronic products, aside from the assembly stage.

However, all these initiatives have halted since the global economy experienced a rollercoaster. Penang's economy has relied on external demand and is also experiencing a slump. The GDP increased 3.8% in 2019 and fell to -2.1% in 2020. Yet, it depends on how the state handles the repercussions. Truthfully, the economic prospects of Penang are rather optimistic, even if the trade surplus is anticipated to continue in the upcoming year, albeit the amount is reducing.

With these factors to consider, will Penang be able to live up to the Penang2030 vision of raising household incomes? The pre-urban Seberang Perai experienced urbanisation and industrialisation in the late 1990s? How can the mainland part of the state complement and facilitate the state's economic growth?

The second PIBIS aimed to showcase Penang's flagship projects, such as the Penang Port, Penang International Airport, and other promising investment opportunities available in the state. The summit also intends to bring attention to the green development of Penang, where sustainability is a key agenda in the economic sector, evident through Penang 2030.

ABOUT ISI

The International Strategy Institute (ISI) is a not-for-profit organisation that helps connect governments and businesses across Asia and the world. We stand for universal ethical business values such as: equality, transparency, fair trade, and sustainable development.

Our dialogues, research and networking platforms, are designed to drive economic growth in the region. We aim to,

1. Build platforms for regional dialogue and networking opportunities that allow businesses, industry captains and governments to come together to drive economic growth of the region ;
- 2.
3. Provide timely research to keep our members and governments informed and updated on global trade and political issues that may have an impact on their operations ;
- 4.
5. Match businesses to the right investors- to ensure that the companies are paired with the right strategic investment partner

VISION AND MISSION

International Strategy Institute (ISI) aims to be the leading regional connector and networking platform for governments and businesses across Asia and the Pacific.

Through our networking events, conferences, and rigorously research publications, we hope to promote a robust Asian business environment that is strategic, inclusive, innovative and sustainable.

WELCOMING SPEECH

Mr. Cheah Chyuan Yong Chairman, International Strategy Institute (ISI)

The COVID-19 pandemic has demonstrated the strength of democracies evident through the delivery of vaccines, improvement in the healthcare system, the reopening of the economy, and States elections in Melaka as well as Johor. Previously, Seberang Perai was underdeveloped. Today, it is growing with the development of commercial buildings, beautiful landscapes, automobile factories, and malls. In other words, the economic growth in Seberang Perai flourished positively.

The International Strategy Institute (ISI) organised this forum to unite all the expertise from all sectors to share and exchange knowledge pertaining to businesses to make Malaysia one of the best countries to initiate a company and a trusted country to invest in the global market.

In parallel with that, Penang's Electrical & Electronic (E&E) industry has shown its reliable performance. It contributes 8% of the world's back-end semiconductor output and is a leading location for microelectronics manufacturers. It secures many investors, about 22, and is supported by over 3,000 local suppliers from various fields. With that, Penang will become the top place for the E&E industry, home to world-class research and innovation capacity in Southeast Asia, and an attractive investment location with its competency.

Prior to that, the government must overcome the manufacturing sector's challenges to bolster supply security. For instance, support the SMEs, particularly the smaller, innovative companies, in accessing advanced skills, industrial partners, and equity finance, and keep the market growing healthily. Thus, this will drive Penang towards a competitive player in the global arena by prioritising as well as optimising the resources. Hence, Penang will have a positive economic outlook in the upcoming year.

OPENING KEYNOTE ADDRESS

Yang Berhormat Dato' Sri Haji Mohammad Najib Bin Tun Haji Abdul Razak Former Prime Minister of Malaysia

The past two years have shown us that Malaysians' frustration runs deeper than these most recent political battles. These are rooted in the daily struggles to make ends meet, pay for college education, buy a home, save for retirement, the inequality and lack of upward mobility, and many more.

Nevertheless, Malaysia has a bright future indeed, as we have past successes such as the Silicon Valley, the Sultan Abdul Halim Mu'adzam Shah Bridge (the Penang Second Bridge), and the Batu Kawan, where all of these places are crucially important for Penang's economic growth. Essentially, it helps this state grow bigger and for the virtue of doing business. Besides those mentioned, we also have the Aspen Vision City and the plan to build the University of Wollongong and the University of Plymouth there. Besides, several infrastructures such as the Bayan Baru, multi-level Seberang Jaya Hospital, Ipoh-Padang Besar electrified rail double-tracking project, and Multinational Corporations (MNCs) are very dependent on Penang for their businesses. Yet, many have closed their business, causing the loss of huge numbers of foreign investors. Thereby, Malaysia has to take prompt action in attracting or approaching foreign investors on the ground of economic stability.

Penang also needs an integrated public transit system due to its traffic congestion. In the meantime, it could reduce carbon emissions for cleaner air. On the other hand, the High-Speed Rail (HSR) is forecasted to contribute RM21 billion in the gross domestic product (GDP) annually for Malaysia and Singapore, with hundreds of job opportunities. This game changer integrates two economies by extension and business advancement.

However, the citizens have suffered enough from political instability and fiscal uncertainty, which has worsened the situation over time. Especially the food security issues in Malaysia currently concern the public at large due to the increase in food prices and commodities that cause people not to afford them. • Furthermore, the lack of environmental attitude also causes destruction, climate change and so on.

Truthfully, the government must develop policies to ensure sustainability, inclusiveness, efficient economic growth, and a fair and right-based social welfare condition with a social protection system that could cover everyone. The emergence of the COVID-19 pandemic has exposed the fractures in our social protection system. That is why the Urban Transformation Centres (UTCs) were built since it offers everyone equal treatment regardless of social class.

After Selangor, Kuala Lumpur, and Johor, Penang is listed as the fourth-largest percentage of T20 households, according to the Penang Institute in its Economic and Development Report. Unfortunately, some sources claim to reduce the state's debt by 95%, which is unachievable. The Federal Government was the only one who made it feasible, like what they did to the water restructuring agreement and the Mengkuang Dam expansion involving billions of Ringgit.

Nevertheless, mostly the citizens received false promises from the political parties during manifesto seasons. For example, Pakatan Harapan promised to abolish all tolls, including for the Penang bridge, during the 14th General Election. During Dato' Sri Najib's premiership, Malaysia recorded the highest foreign investment and GDP growth in ASEAN. Trade was expanding exponentially, the share market index more than doubled from 800 points to 1,896 points a month before the general election, and the country's economy experienced one of the fastest growth rates in ASEAN. Trade and international relations were at their height, particularly with China, the United States, Europe, and the Middle East.

Today, the national debt has jumped to RM1 trillion, and many foreign investors have run away due to economic instability and the incompetent ruling government. Concerning middle-income households, issues are getting serious since people cannot afford food supply to the fullest with the market surge in price and the supply chain disruption. This further escalates the tension within our nation.

Since the government's strategy of giving gasoline price subsidies and administrative price limits on subsidised products will keep domestic inflationary pressure in check, Malaysia continues to be relatively insulated. However, Malaysia may also be impacted if the outlook for global growth becomes less favourable. In other words, qualified leadership that can plan for the nation's sustainable development is the formula for becoming a successful nation since businesses and investors have demonstrated through time how much they value consistency, stability, and clear policy that a visionary and stable government administration.

S1- PENANG ECONOMIC OUTLOOK 2030: WHERE ARE WE AT NOW

Datuk Leong Teong Li

Chairman, Federation of Malaysian Manufacturers Penang

Over the five decades, the local industry has moved from simple components and semiconductor parts assembly to more integrated and high-value products and activities. Penang export value in 2020 was RM310 billion, representing 32% of total Malaysian export. Currently, the talent shortage is a worldwide issue. Many tech companies also have problems retaining their talent and skills because people tend to work for big tech companies like Facebook and Apple.

Every employer needs to do something to retain the talent again. After various lockdowns and movement control measures were implemented, the emergence of new variants still poses global challenges for the economy. Overall, Malaysia has done a good job in the COVID-19 immunisation programme by collaborating with public and private partnerships as well as PIKAS for the manufacturing sector. These programmes allowed workers to return to work.

Competition is everywhere. For example, the Philippines and Singapore are well-known semiconductor companies in Asia. However, people move away from Singapore due to the cost. In contrast, Penang gets investment and support from MIDA, Invest Penang, and Penang Development Corporation (PDC). Particularly, the Penang Development Corporation (PDC) focused on industrialisation, and they view Penang's economic development as able to grow competitively. As a result, they have Batu Kawan 1 and Batu Kawan 2.

Mr. Saiful Bahari Baharon

Former Chief Executive Officer, Labuan IBFC Inc

From the perspective of the nation, the fact that there is a change of government and with the pandemic and, of course, now the Ukrainian-Russian war, it seems that the world is being reset. There are so many potential outcomes that no one can predict which way these things will go or when they will settle. As far as the government is concerned, there are some answers that maybe the next couple of months will settle down. However, with the emergence of new variants that are more lethal and aggressive, nobody knows when everything will go back to normal.

Regarding the prospect of Penang, it has to be seen where Penang will go for the next ten years. It is crucial to set for a higher value or make products optimally, with the fastest margins possible. Thus, it should be protected at all costs. Malaysia has lost a few significant talents since 2018, particularly in the field of technical engineering. If people talk about Ikea, it is related to Sweden, Tata is India, and Samsung is from Korea, but what is the brand produced by Malaysia, which is well-known globally? In order to gain world-class brands, the next government should work on this matter.

Dr. Chan Tze Haw

Graduate School of Business, University Sains Malaysia

From the perspective of the economists, knowledge about the transfer, technology transfer, upskilling of local talents, and providing the employees with a good return and salary also contribute directly to local consumption.

According to the national labour market, only 30% of labourers have tertiary or higher education training, but Taiwan, Singapore, and South Korea recorded 60%. It illustrates that Malaysia still has room to upskill and retrain local talents. Thus, this is where the Graduate School of Business can play its bigger role in fulfilling those national agendas. In the upcoming years, medical, tourism, and education will rebound for around five to ten years. Indeed, Malaysia is already among the top in Southeast Asia for business, especially for medical tourism. It will have more capacity to travel.

Now many Chinese students are not going to the United States or Europe. The best destination for them right now will be Southeast Asia, especially Singapore and Malaysia. They are not only going to university but also international schools. So, here is where Penang can play its role. Besides, Penang has to maintain its competitiveness in the manufacturing sector. At the same time, it needs to enhance the value chain. While Penang is still stuck with the assembly and testing, thus Penang should work on design and development for improvement.

Q&A Session

1. In Europe and other countries, people are doing business as usual and more new businesses, but not in Malaysia. People there also talk about new ways of doing business, such as digitalisation and digital savvy.

Malaysia is different from America, Hong Kong, and other countries. In order to increase the value of Malaysian industries, thus the government has to raise awareness, such as by organising campaigns. Since 2018, there has been a lot of turbulence in the government, and several corporate policymakers at the board level are lost due to the change of government multiple times in a short period. This includes the advisory level, where people with very good experiences and knowledge in the industry have been removed. As a result, it will create confusion and show how weak the governance is.

2. What is taking Malaysia so long to be brave enough to move towards electric vehicles?

This is a global trend inspired by the environmental climate agreement. Moreover, Malaysia faces a shortage of chips. It all happened due to the pandemic, where everyone had to use virtual. Hence, the usage of computers increased. Other than 5G and remote operation factors, the US-China trade war also contributes to the obstacles since some companies have stopped. This has led the issue of chip shortage to become more serious.

S2- PAVING THE FUTURE OF PENANG LOGISTICS AND TRANSPORTATION SYSTEMS

Mej. Prof. Logistician Chang Kah Loon
President of LogM, Director, AK Shipping Sdn. Bhd.

One of the main principles or objectives of the Penang Transport Council is to move people without using vehicles. So how do people get around without utilising cars? A survey found that each person must spend more than 60% of their gross monthly income on costs related to transportation, including monthly payments and warranties. With that money, people can use the money towards other things like training or education.

The military is where the word logistics originated. The military and logistics both use this specific phrase. However, business world now uses the word logistic. Today, we can see the supply chain, logistics, and transportation sectors. Without this, many people might think that logistics solely applies to people who work in warehouses. Nevertheless, they had professional organisations like accountants, engineers, lawyers, and other professionals. The first organisation for chartered ship brokers was established in 1817 and was called the Institute of Chartered Ship Brokers. In 1919, the Chartered Institute of Transport was established.

After being a free zone area, Penang Port suffered a setback from the epidemic. As a consequence, it is difficult to promote, and there are few limitations during the MCO in the maritime logistic which restrains the ship activities, though Penang Port has a credibility for that. Thus, Penang must re-examine the supply and demand on behalf of the Society of Logistics Malaysia to decide whether the port is indeed necessary. Ergo, Penang should pay attention to the growth of inland ports since Penang has portrayed an upsurge in sea shipments.

Log. Leong Kin Wah

Secretary General of LogM, Managing Director of EW Logistics and Transport

Penang recorded a high ratio of vehicle ownership compared to neighbouring countries. However, the public transportation system is underdeveloped and not comprehensive, whether in an urban or suburban setting. Therefore, balancing is crucial to reduce circumstances like traffic congestion. The car ratio simultaneously will decrease because people can reach their destination easily and do not have to pay for any expenses, such as gas or parking fees. On average, the fastest a car can travel in Georgetown during peak or business hours is only 20 km per hour. As a result, Penang wastes a significant amount of time when in traffic.

Penang needs to balance the environment and Return on Investment (ROI) from a commercial perspective. Therefore, in general, the main goal or principle is to improve the environment, reduce carbon dioxide emissions, and do whatever is necessary to make the world greener. To create a very good go green warehouse, it all depends on consumption, investment, and return. For instance, the fully automated green without labour, save costs or electric power without diesel and no smoke. However, it is still unsure whether customers are ready to pay the expenses if it is 1.5 times higher than those of the non-go green warehouse. If the production cost is relatively low, thus it is still affordable. Yet, it is noteworthy that everything depends on demand and supply.

Dato' Sasedharan Vasudevan
Chief Executive Officer, Penang Port Sdn. Bhd.

Penang Port is one of the earliest ports around the world. The East India Company, which was founded in the late 1700s and 1786, to be precise, was the British Empire's first outpost as they made their way into Southeast Asia. Penang Port has a long remarkable history. They made progress like Singapore, which was restructuring its constitution and laws. In fact, Penang is the biggest port operating in Malaysia and ranked eighth among the biggest operating ports worldwide. In comparison to Hutchison and Dubai Ports, ports in Malaysia are located at a very strategic location, and Singapore shares the same benefits. As the busiest channel in the world, the Straits of Malacca, 52% of the movable commodities are oil.

Malaysia is lucky to have a very long coastline and has become one of the well-known ports globally. Peninsular Malaysia's west coast is where all the major ports are located. Indeed, Penang is also connected to important global trade routes. Hence, its connectivity which links to China, Korea, and Japan, makes up a large portion of Penang's trading partners. Almost 30% of the cargo from Penang also travels to the United States; a significant proportion. The second-largest market goes to Europe, with around 5%. The final port to have its free zone granted is Penang. Thereby, cargo from the Bay of Bengal and up to Myanmar can be collected easily.

Q&A Session

1. Goods from the southern part of Thailand link Penang Port with Songkran Port. What does that mean for cargo, in your opinion? How do you anticipate that will play out in the future concerning the general overview you outlined, including the police at landfall, the Penang Port, and getting Songkhla to connect the East Coast and the West Coast?

It is more to collaborate because of the insignificant impact of the canal on Peninsular Malaysia. The two major canals, Suez Canal and Panama allow ships to travel through continents within 14 to 18 days. Whereas Peninsular Malaysia requires only three days. In short, it does not consume much time and the total fee for the Suez Canal toll for a typical 14-year ship is just 1 million US dollars to cross the canal. In addition, the Malaysian government is interested in collaborating with the Thai government. The latest project by the government is the inland port. At this moment, the Padang Besar reached its capacity, establishing the second Perlis inland port for industrial development.

2. How is the port going green?

Low-sulphur fuel was made legal by the International Maritime Organisation two years ago. It is compulsory. Although low sulphur fuel is now required for all ships, some shipping lines are advanced. In fact, they are introducing energy, hydrogen cells, and other things to overcome this issue. The bunker fuel burns the filthiest diesel when the vessel approaches a port. ESG plan has already been implemented in Penang. There is a blueprint for ESG that aims to mitigate carbon dioxide effectively from 20% to 30% in the next five years. These low-lying technologies measure the cleanness of the port. Together with the port authorities, they set up a benchmark to measure it, and hopefully, the Malaysian government will come up with a mature solution to reduce carbon emissions.

SPECIAL LUNCHEON PRESENTATION

Ms. Khor Xin Yun

Chief Executive Officer of the National Kidney Foundation

Health, business, and investment are different things, but all are important for a living. Particularly in terms of the kidney's functions to create hormones, balance chemical reactions, filter out waste and water from the blood, and regulate blood pressure. Once the functions reduce and reach less than 5%, the person needs treatment. This is called End Stage Renal Disease (ESRD), where Renal Replacement Therapy is required to save the patient life.

According to the statistic, 61% of kidney patients have diabetes, and 18% have hypertension. At the same time, 46% of them come from lower-income families. The signs or symptoms of kidney failure are shortness of breath, a decrease in urination, nausea, fatigue, weakness, and swelling in the legs. Furthermore, those with diabetes and high blood pressure are more vulnerable to kidney disease. Therefore, there are two treatments for kidney failure. The first is through a kidney transplant, and the second is dialysis, divided into peritoneal and hemodialysis. It is noteworthy that hemodialysis consumes 4 hours to clean the patient's blood for each session.

Consequently, the National Kidney Foundation (NKF) was formed in 1969 by the Rotary Club of Petaling Jaya to promote and enhance kidney treatment and the management of kidney disease via education, research, advocacy, and preventive measures. Additionally, NKF collaborates with non-governmental organisations (NGOs) such as Yayasan Sultanah Bahiyah (YSB), Nanyang, and Bonus Link to expand dialysis treatment for those who cannot afford the treatment. Currently, 28 centres across the nation serve more than 1,700 patients from 44,000 patients recorded in Malaysia.

However, more than 50% and almost 60% of the patients are from lower-income households, below RM1,400. This concerns the NKF because the cost of kidney treatment is expensive. Each dialysis is nearly RM180 to RM200 per session, and each patient needs 13 sessions per month. Thereby, NKF supports them in terms of medication supply, offers equal kidney treatment, subsidised kidney dialysis treatment, and education of the patient's children. Moreover, NKF has already screened more than 600,000 people on the street to help detect early kidney disease, help to develop manpower and human capacity in the industry by providing training and development programme. On top of that, NKF got Malaysian Society for Quality in Health (MSQH) and Malaysia Qualification Agency (MQA) accreditations and was awarded NGO with the best code of conduct by the Ministry of Home Affairs.

Overall, NKF requires RM30 million annually to support the patients when providing subsidised dialysis treatment. It should be noted that one water system itself costs RM140,000, one analyser is almost RM58,000, and the dialysis machine is RM42,000. Thus, NKF urges private companies to collaborate or donate to help those who need help, especially those with kidney failure. It can be through fundraising, campaigns, or charity programme such as charity dinners. All of these are considered helpful to support the lower-income household fighting against kidney disease.

S3- #TECHDEBATE: IS PENANG REALLY READY FOR A DIGITAL MAKEOVER?

Mr Kishva Ambigapathy

Chairman of Commonwealth Youth Innovation Centre

Today, machines are categorised as intelligent, not only people. Blockchain and AI have changed the ecosystem. Everyone, including civil society, academia, and each industry, has to play a role in achieving a high-tech state. Moreover, a lot of programs such as reskilling and upskilling are being run over a year to improve the young people. Language is no longer a traditional language with the existence of blockchain. Concerning the educational system in Malaysia, it still practices a conventional syllabus. Instead, children nowadays are very advanced, and most of them are exposed to electronics such as the iPad and know the alphabet at an early age.

The public shall have an innovative mindset and think out of the box to move forward. For instance, Malta is an Orthodox country, but they are very well known for the blockchain identity of regulated crypto. As a small island, Malta has created advisory services and aims to become the gaming central for Europe. Unlike Malaysia, gamers and social media users leave the system running in their own bubble, though Malaysians have creative talents. To ensure Penang is ready for digital makeover, the first thing is to have the state be in line with the federal law and institutionalise. This is where the government will listen to all parties. Furthermore, the ecosystem has to be changed, and people must stop working in silos and start collaborating. This is the new blockchain technology idea because bureaucracy no longer suits the governance system.

Besides, young people nowadays want their skills to be recognised. For that reason, training institutions like TVET and vocational schools received a mass amount of applicants because, in the end, people are assessed based on skills. This situation has something to do with the Undi18. The post-Covid has created a new level of cognition within the youngsters due to the influence of political parties carrying their credibility. As of today, political tycoons are carried by young people. Not only in politics but in other sectors as well. Youngsters are very alert to the current situation and have started to take over this industry.

Dato' (SN) See Nee Lee

Vice President of IT. Flextronics Technology (Penang) Sdn. Bhd.

Apart from that, the accessibility of 4G in Malaysia is good compared to other nations, such as Silicon Valley, where 3G is not fully available within that area. Here in Malaysia, 4G is accessible almost everywhere. Though the government did not hear the grievances of the public at large, the previous government did their job very well, and they made the MCMC increase the internet bandwidth while decreasing the price. This is good for the citizens.

As a matter of choice, it is preferable to subscribe to a private internet to enhance internet speed and utilises cloud computing in the workplace. Nevertheless, it might cost a lot because it is double the normal internet price. However, with this system, a business can still operate while working from home. Thus, it does not expose a company to danger or closure.

Education is the most crucial thing to do for a digital makeover. Once people are educated and know how to use digital technology like Agoda, people will spread it to their closest people, such as friends. Owing to the fact that it builds convenience among the people to book hotels. Subsequently, people will keep using the system just by word of mouth that spreads from one person to another. This is how Penang can grow and become a significant city in Malaysia. Undoubtedly, only certain areas of Penang are ready for the digital makeover, but it is advisable to help each other to develop.

In terms of Touch 'n Go usage, most people enjoy using it and gain benefits simultaneously. However, for better enhancement, tech-savvy people shall teach and share their knowledge regarding this matter to let Penang grow. As technology ambassadors, it is important to propagate what they know to the public. Indeed, it is privileged enough to learn and use technology in this modern times.

Mr Chan Huan Gee
Chief Operation Officer of Tourplus

In order to have good digital economy, the state government should at least do like what China has applied in their country. There is a system known as e-know your customer, where they have all the details of the customer and the transaction and can track the record. This can help businesses to run smoothly and reduce scams simultaneously.

For Touch 'n Go, everyone likes to utilise it in their daily life. Indeed, people are cashless because they do not have to bring a lot of cash, like coins, into their pockets. Having Touch 'n Go makes people's life easier. Though it is not the best tool, it is useful. Unfortunately, some businessmen do not know how to use it, especially older people, because they are not well-exposed to digital payment. For instance, the usage of QR codes in their shop. This is an example of digital technology widely used all over Malaysia because many people use Touch 'n Go to pay for what they purchase.

Truthfully, it can increase the number of customers because it is more convenient to have that in a shop. In the meantime, it will prevent the cashier from returning the cash wrongly. In short, the cash flow is secured. Therefore, individuals, including banks and the government, are responsible for teaching and propagating these people about the use of digital payment. For example, Maybank or CIMB Clicks organise talks regarding the use of digital payment for free-of-charge offers to the public. Undeniably, there are illiterate people, but it is not an obstacle because people can learn. By virtue of business, this ecosystem must be implemented in our society, like in China today, where everyone uses WeChat or Alipay to pay and no longer accepts dollar notes. Thus, it is a good step to initiate this action to prepare Penang for a digital makeover. Again, no one to be blamed for any lacking. Everyone needs to care for each other and move together in line with the digitalisation era.

Q&A Session

1. Is Penang ready for a digital makeover?

Yes, Penang is ready for a digital makeover since a few parts in Penang use digital technology, such as the Touch 'n Go. In fact, Penang ranked as the highest state that received investment from local and international according to the previous year's statistics, where most multinational companies (MNCs) are related to high-tech semiconductors, simply known as the E&E industry, automotive, and medical equipment manufacturers. Thus, Penang can be considered ready for a digital makeover.

2: Give two reasons why Penang is not ready for a digital makeover.

Penang is not ready for a digital makeover in terms of human capital, silos, and startup ecosystem, lacks technopreneurs in digital areas, and the infrastructures are not there. This is because many merchants still operate traditionally, the brick-and-mortar businesses. The number of startup companies from Penang, such as Victor Graff, Easy Parcel, and Exabytes.

3. If broadband in Penang is not optimum, imagine Sabah and Sarawak. So it is not about not having foreign direct investment. Then why is the broadband not up to speed?

To create a high-tech state, the infrastructure has to be right. Consequently, it will create an efficient and reliable environment where people normally invest. Moreover, the government has to ensure that the ecosystem is nourished in addition to bringing talent or individuals on board.

4. If Penang were to make digital makeover by youngsters, does Penang has that?

Globally, every country is experiencing talent shortages, and this does not merely happen in Penang. Indeed, the demand is always higher than the supply. For that reason, it is a brilliant idea to build a strong workforce to supply so that the startup stays. It is still in progress, particularly with the development of 5G.

5. Now Malaysia is going to have Digital Malaysia. Does it is the way to go?

Penang is not really ready for a digital makeover because the whole ecosystem must be in place to achieve whatever is related to industrial revolution 4.0. To be exact, any revolution has to go through with the federal government to gain support.

CLOSING ADDRESS

Dato' Sri Dr. Md Zabid Bin Haji Abdul Rashid
Vice President of Persatuan Muafakat One Belt One Road Malaysia (PMOBOR)

Persatuan Muafakat One Belt One Road, or PMOBOR, was established on 9th December 2016 by the Registrar of Societies Malaysia as a non-governmental organisation comprising a group of Malaysian entrepreneurs interested in investing in China. PMOBOR is actively promoting Malaysia as a primary investment destination in Southeast Asia for Chinese Entrepreneurs. In essence, the main goals of PMOBOR are to support the One Belt One Road and BRI business opportunities, regional and intercontinental connectivity, as well as bilateral trade, services, and investment between Malaysia and China's industrial leaders.

Nevertheless, the emergence of the Covid-19 pandemic has hit Malaysia, adversely affecting the economy and society. This pandemic has significantly and unprecedentedly disrupted everyone's life. Even in Europe and the United States, huge vaccination campaigns are taking place everywhere, yet the virus is still raging in many nations. In fact, new variants occurred, and mutation happened. Thus, the world needs strong public health measures to suppress the spread of the virus and keep the world community safe. The Covid-19 outbreak has caused all international borders to be blocked, which has led to a surge in nationalism and protectionism in most countries since everyone wants to preserve their areas, but the supply chain has been affected.

To overcome the obstacles, nations must rebuild their supply chains, repatriate their citizens who are stranded abroad, share medical research, support vaccine initiatives like COVAX, and gradually open special trade and travel lanes by enforcing lockdowns, movement control orders, and border closures. Not to mention the historically high levels of emergency expenditure, budgetary stimulus packages, and government assistance like providing a lifeline to many employees, SMEs, and families to resume growth. Moreover, countries and businesses must collaborate to tap into new markets and develop innovative technologies. At the international level, countries should enhance the framework for international cooperation, such as verifying vaccination and testing to reopen the border.

One of the industrialised states with a significant Chinese population that is aware of China's One Belt and One Road Initiatives is Penang, and China values Penang highly. Penang has produced many successful people, such as Datuk Nicol David, Jimmy Choo, and Dato' Lee Chong Wei. However, inequalities in Penang still exist, particularly in Seberang Perai though Penang is a state with high GDP recorded. The economics, logistics, and digital advancements are the main topics of this summit. Penang's grand master plan, which must be effectively integrated and well connected with all the various modes of public transportation, includes easing traffic congestion. As a result, it will make it easier for residents and visitors to go from one place to another. This summit hopes for more attractive investment and business policies to be shaped in the future since it is much needed on the ground of stability.

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