

Quick take

Datuk Zainal Amanshah, CEO of InvestKL, shares his thoughts on the Belt & Road



THERE has been criticism from local industry observers that the entry of Chinese state-owned enterprises (SOEs) will flood the Malaysian market with Chinese talent and competition.

What are the spill-over benefits, if any?

China's multi-billion-dollar investments to the country would not affect the nation's sovereignty. There is no issue of Malaysia "selling its soul".

There would not be any cannibalism to domestic elements with continuous inflows of foreign investments, especially from China. We should not look at it as solely from a China perspective, because we also received investments from the US, Europe,

China, Japan and others.

Our government will ensure the requirement of high local content. For instance, those infrastructure projects such as Bandar Malaysia will remain owned by Malaysia and operated by Malaysians. In addition, they are encouraged to source materials locally and employ local citizens.

InvestKL is tasked to formulate attractive packages to attract 100 Multinational Corporations (MNCs) to invest in Kuala Lumpur by 2020 by setting up its regional hub in Greater Kuala Lumpur. The MNCs are encouraged to transfer their knowledge and management know-how to local talents. It is also important to recognise that we are now

attracting high value and high skilled investments – creating opportunities for real estate and talents. That will create different opportunities for different types of demand.

Therefore, the spillover benefits of SOEs investment to the Malaysian economy will actually translate into higher job opportunities, upgrading of skills and transfer of technology and know-how. Eventually, this will create a high skilled and competitive local talent pools.

In addition, the MNCs operating in Kuala Lumpur and Malaysia will utilise the services of domestic banking and financial facilities and other ancillary services including housing, trade, logistics, legal, arbitration etc.

What other improvements to the business environment should we be looking at to complement the enhanced connectivity of the Belt & Road?

Free Trade Agreements such as Regional Comprehensive Economic Partnership (RCEP). Asean is currently negotiating the RCEP to broaden and deepen Asean's engagement with its Free Trade Agreement (FTA) partners namely Australia, China, India, Japan, Republic of Korea, and New Zealand. Asean's economic dynamism is expected to benefit from RCEP that will provide a basis for broader regional integration and help address concerns about the 'noodle bowl' effect of overlapping bilateral and regional agreements.

When concluded, RCEP will deliver tangible benefits through potential improvements in market access, more coherent trade facilitation and regulatory rules and cooperation. In turn, this will provide more choices and opportunities for Asean people to participate gainfully in global value chains. ♦



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