

Special Address
EU-EAGA BizTech Partnership

EUROPEAN UNION
DELEGATION OF THE EUROPEAN COMMISSION TO MALAYSIA

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ASIA INVEST: EU-EAGA BIZTECH PARTNERSHIP

17 November 2009
Imperial Hotel, Miri, Sarawak

Good evening,

Y.Bhg. Lawrence Lai Yew Son, *Mayor of Miri City Council*

Mr. Bernardino Moningka Vega, Jr., *Chairman of BIMP-EAGA Business Council (BEBC)*

Y.Bhg. Dato' Leong Kin Mun, *Technical Advisor of EU-EAGA BizTech Partnership*

Ladies and Gentlemen

First of all, allow me to share with you my pleasure to be here tonight. After many months of coordinating with many different organisations and intense promotional activities, I am happy to be part of this Ceremony to mark the opening of the EU-EAGA BizTech Partnership Match-Making Event. The considerable efforts made by the State Government of Sarawak and Miri City Council to bring about this event – during what have been the darkest months of the global economic recession – have been rewarded with the presence of close to 270 participants from Asia and Europe.

This is in itself evidence of a change in global business sentiment and one we should make every effort to take advantage of. As the global economy timidly recovers from one of the toughest worldwide economic crisis in recent decades, the EU and Malaysia as well as all the members of the EAGA face tremendous challenges to secure a durable common future. In our globalised world, international trade and cooperation will play a key role in achieving the long-term revival of our economies and the return of full investor and consumer confidence.

However, with a view to bringing about concrete results, it is fundamental that decisions are taken at the most appropriate levels. The EU's coordinated Economic Recovery Plan has been instrumental in stabilising the EU economy and the stimulus plans in Malaysia are enhancing domestic demand. But within these respective frameworks, local action is also critical. State and local authorities must endeavour to create an enabling environment where business can thrive, jobs are created and communities are developed. By organising this business and technology partnership, the State Government of Sarawak and Miri City Council are showing that further integration of BIMP-EAGA into the world economy is desirable. By bringing Europe closer, BIMP-EAGA's growth and development prospects are that much greater.

Clearly, the private sector also has a key role to play. Companies, particularly SMEs as the principal providers and creators of employment, will be fundamental in helping our economies emerge from the crisis. In Malaysia, investment in the domestic economy is largely funded with public monies. Private sector investment represents just 10% of total investment, one third of its pre-Asian Financial Crisis level.

In this respect, the recent announcement by Prime Minister in the framework of the 2010 Budget presentation, to provide greater incentives to encourage the private

sector is critical for the long-term growth of the country, particularly in view of Malaysia's aim to move the country towards a high-income economy.

In the EU-EAGA BizTech Partnership Programme, through our project partners from Spain, Germany, France, the Philippines and Vietnam, we are also encouraging the private sector to invest, to trade and to venture beyond traditional markets. BIMP-EAGA harbours great commercial potential thanks in part to its remarkable natural resources and biodiversity. Today's activities provide EU businesses with the occasion to develop partnerships and economic activities focused on high-potential sectors such as energy, forestry or eco-tourism.

Local companies must also be open and seek to enhance their competitiveness through FDI inflows and new technologies. The unprecedented slump requires us to look at new commercial horizons. Indeed the Government of Malaysia's Green Technology Fund will have RM1.5 billion (€0.3 billion) for companies supplying or using green technologies. This should facilitate the local uptake of environmental technologies where the EU is a market leader.

Similarly, the Government of Malaysia announced in its 2010 Budget that RM350 million (€69.2 million) will be invested in soft loans, capacity enhancement and promotion of innovation. There will be tax deductions on patents and trademarks granted to SMEs. This constitutes a further development that will assist international business cooperation.

As we draw closer to the Copenhagen Summit, it is important to applaud these initiatives which promote investment in the green economy. Environment is one of the EU's top policy priorities. Climate Change holds a very specific place on the EU agenda. Environmental concerns and sustainable consumption are considered political responsibilities, European industry must respond to consumer demand which is ever more conscious of the need to eliminate and reduce the adverse environmental impact of their personal and commercial decisions – and increasingly willing to accept the associated financial premium. It is in this context that the European Union has voluntarily and unilaterally adopted 20-20-20 targets: that is, the target to reduce our greenhouse gas emissions by 20 percent compared to 1990, the target to ensure a 20

percent share of renewable energy sources and the target to reduce energy use by 20 percent – all by the year 2020. The European Commission has estimated that developing countries will need around 100 billion euros a year to tackle climate change. The EU has accepted to pay its fair share where international public support will need to be in the range of 22 to 50 billion euros a year by 2020.

In the fight against climate change the EU seeks to develop relations with Southeast Asian countries that can have an important impact on this topic. The EU-EAGA BizTech Partnership is an opportunity to involve our respective business communities in this undertaking. Since we are in Sarawak, I should mention SCORE as an example of an ambitious project to which EU firms can contribute. I am confident that today's events and the activities that will take place in the course of the coming days, will facilitate communications and the eventual transfer of know-how, innovation and trade for a greener global economy in the four specific sectors – forestry, agriculture, eco-tourism and energy – prioritised by the BIMP-EAGA Business Council.

Such practical projects, which seek to develop new territories for business cooperation will enable us carry out our common political commitment to open and sustainable trade. I am confident that with Sarawak's and Miri's continued support, the EU-EAGA BizTech Partnership will lead to greater commercial linkages between our respective regions. The EU will persist on being a major proponent of sustainability in international trade and wants Malaysia as well as other East Asian countries' private sectors and governments to become privileged partners in this endeavour.

Thank you.