

**44<sup>TH</sup> ISLAMIC DEVELOPMENT BANK BOARD OF GOVERNORS'  
ANNUAL MEETING  
APRIL 2019  
MARRAKECH, KINGDOM OF MOROCCO**

**TRANSFORMATION IN A RAPIDLY CHANGING WORLD:  
A ROAD TO SUSTAINABLE DEVELOPMENT GOALS**

Bismillahir Rahman-nir Rahim

Your Excellency, Chairman of the Board of Governors

Your Excellency, President of the Islamic Development Bank

Governors

Esteemed Guests

Ladies and Gentlemen

Assalamualaikum Warahmatullahi Wabarakatuh.

**INTRODUCTION**

1. Alhamdulillah, by the Grace of Allah Subhanahu Wa Ta'ala, we are able to once again convene for the 44<sup>th</sup> Board of Governors Meeting of the Islamic Development Bank (IsDB) here in the city of Marrakech, Kingdom of Morocco. I would like to extend my sincere appreciation to the Government of the Kingdom of Morocco for the warm welcome and hospitality extended to the Malaysian delegation.
2. This year's theme, "Transformation in a Rapidly Changing World: A Road to Sustainable Development Goals", is most relevant and timely. The theme indeed complements the United Nation's Sustainable Development Goals (SDGs) that stemmed from the Millennium Development Goals (MDGs) by further taking into account new areas including climate change, economic equality and innovation.
3. Malaysia appreciates the President's Five-Year Programme, which is drawn from the Bank's Ten-Year Strategic Framework, and aimed at making IsDB more competitive. Both this programme and framework are instrumental as the Bank looks towards helping its member countries which may have fallen behind in certain dimensions of the

SDGs. The 2018 UN SDGs Index and Dashboards Report shows there are countries which are yet to be on track to achieve all goals by 2030. These include ending poverty and hunger, promoting good education, health and well-being, achieving clean water and sanitation as well as affordable and clean energy as well as reaching gender equality.

4. Malaysia recognises IsDB's work towards assisting member countries achieve their commitments to the SDGs. The approval for operations in various economic sectors in 2018 reflects the IsDB Group's commitment towards enabling economic development and social progress of its member countries. Malaysia also would like to commend IsDB for the grant allocation in 2018 totalling USD26.13 million which was utilised to support Strategic Programmes including Science and Technology, Reverse Linkages and Capacity Development for member countries.
5. I would like to take this opportunity to thank H.E. Dr. Bandar M. H. Hajjar and team for the numerous efforts made to assist our member countries to grow as we embark on the developmental and transformational journey in this fast-changing and evolving global development landscape.

#### **MALAYSIA & CONTINUED COMMITMENT TO ISDB**

Your Excellencies,

6. Malaysia values and remains committed to the close working relationship we have with IsDB. We look forward to future engagements with IsDB and member countries alike. We would like to express our thanks (Jazakallahukhoiran khatira) to the Team from the President's Office which continue to work with us as we look towards enhancing IsDB's presence in Malaysia via the IsDB Regional Office in Kuala Lumpur (ROKL).

## **MALAYSIA'S ECONOMY**

7. The Malaysian economy recorded a growth of 4.7% or RM1.23 trillion in 2018 underpinned by strong domestic activity and steady external demand. In 2018, trade balance surged to RM120.5 billion (2017: RM98.5 billion) with exports outpacing imports. Gross exports expanded 6.8% to RM998.3 billion in 2018 led by continued demand for manufactured goods. Gross imports grew at a moderate pace of 4.9% to RM877.8 billion weighed down by contraction in imports of intermediate and capital goods. The Malaysian economy is projected to continue its strong growth momentum with real GDP expanding 4.9% in 2019. Growth will be mainly driven by resilient domestic demand amid steady external sector.
  
8. Being a small and open economy, Malaysia is exposed to external uncertainties. Notable negative risks to activity include a possible shift toward inward-looking policy platforms and protectionism and the trade war between US and China, sharper than expected tightening in global financial conditions, increased geopolitical tensions and regional economic slowdown. Malaysia will need to mitigate the contingent effects of these risks.

## **MALAYSIA, SDGs & THE RAPIDLY CHANGING WORLD**

Your Excellencies,

9. I would like to echo our Prime Minister's statement during the 73<sup>rd</sup> Session of the United Nations General Assembly (UNGA) in 2018. There remains a "*need for the developing world to push for reform, to enhance capacity building and diversify the economy.*" We need to work together to address the turmoils we face economically and socially.
  
10. Indeed, Malaysia continues to make significant progress towards realising the 2030 Agenda, particularly SDG 1 – reducing poverty – which was at 0.6% in 2018, down from 49% in the 1970s. This remarkable shift started with the New Economic Policy, introduced in 1970 to eradicate poverty and restructure societal imbalance. Each subsequent Five-year Development Plan underscored sustainable economic growth, growth with equitable distribution to all sections of society, access to basic infrastructure, utilities, education and healthcare services as well as mainstreamed environmental conservation.

11. Agenda 2030 increases the resolve to pursue the journey on sustainable development more aggressively. Malaysia continues to embrace sustainable development in our National Agenda. The 2030 Agenda for Sustainable Development has been mapped with Malaysia's 11<sup>th</sup> Five-year Development Plan (11<sup>th</sup> Malaysia Plan) to align our strategies and initiatives to support the SDGs. Thus, Malaysia has aligned SDG principles with the 11<sup>th</sup> Malaysia Plan, which will entrench SDGs in all facets of Malaysia's development.
12. Malaysia recognises the need to transform and to recalibrate its focuses, given the changes that are quickly coming our way. To this end, the country came up with the 2018's Mid-Term Review of the 11<sup>th</sup> Malaysia Plan with New Priorities and Emphases. This document is aimed at reforming existing policies and also takes into consideration the current economic challenges and global trends.
13. Recognising the need to respond effectively to global challenges, Malaysia has identified 6 pillars to position our country on the right track to achieve our goals. These pillars have a new development focus with 19 priority areas and 66 strategies, aligned to Malaysia's new direction and boost economic growth. The six pillars are:
  - Pillar I Reforming governance towards greater transparency and enhancing efficiency of public service;
  - Pillar II Enhancing inclusive development and wellbeing;
  - Pillar III Pursuing balanced regional development;
  - Pillar IV Empowering human capital;
  - Pillar V Enhancing environmental sustainability through green growth; and
  - Pillar VI Strengthening economic growth.

Hence to sum up, 6 pillars into 5 Gs acronyms.

Namely Governance, Gini, Germinate, Green & Growth.

14. Heading towards 2020, Malaysia expects the *“momentum of economic growth will be accelerated by stimulating activities to move up the value chain and promote private investment. Focus will be given on strengthening the foundation of the economy to propel Malaysia into a developed and inclusive nation premised on innovation, creativity and high value-added activities to drive productivity.”*

15. One of the priority areas is in accelerating innovation and technology adoption, which include strategies such as harnessing the Fourth Industrial Revolution, increasing technology adoption and aligning research and innovation. Malaysia also recently launched Industry4WRD, which is the National Policy on Industry 4.0. Malaysia strongly believes that this *“would enable the manufacturing sector to move into Industry 4.0 and along the way contribute to fulfilling Malaysia’s commitment to the United Nation’s Sustainable Development Goals (SDGs).”*

## **CONCLUSION**

16. We hope that Malaysia’s experience towards realising and implementing the SDGs in this fast paced and developing world will be an encouragement to our member countries present here today. As we continue to work together, through the platform IsDB has provided us with, we can realise the 2030 Agenda.
17. On behalf of the Government of Malaysia, I would like to express our appreciation to H.E. Dr. Bandar M.H. Hajjar and the IsDB management and staff for their endless efforts in organising this Annual Meeting and ensuring its success. May all of us be under the blessed guidance of Allah Subhanahu Wa Ta’ala in all our future undertakings.

Waltaufik Walhidayah.

Wassalamu’alaikum Warahmatullahi Wabarakatuh.

