



**Kuala Lumpur Business Club** (446867-U)  
c/o Westports Holdings Berhad  
Publika Suite D1-1-5, 1, Jln Solaris Dutamas  
Solaris Dutamas, 50480 Kuala Lumpur, Malaysia

## **EVENT REPORT**

### **KLBC Networking Brunch with Dr Manuela V Ferro, World Bank Regional Vice President East Asia & Pacific**

**23 June 2023, Friday**

**The St Regis Kuala Lumpur**

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The KLBC Networking Brunch, featuring Dr. Manuela V Ferro, World Bank Regional Vice President East Asia & Pacific, commenced with warm welcome remarks and an introductory address about KLBC by its Founder & Board Member, Dato' Rohana Tan Sri Mahmood. Dr. Manuela proceeded with her opening remarks, enlightening the attendees about the purpose of Dr. Manuela V Ferro visit to the region and highlighting the following key points:

1. ASEAN's growing prominence as a global player.
2. China's potential investments in Vietnam, despite its increasing costs over time.
3. Both China and Malaysia encountering fiscal challenges.
4. Malaysia's competitive advantage in the region, particularly in the realm of energy transition. One third of energy produced in this region is green transition aimed at reducing carbon energy intensity per population.

During the engaging dialogue session, KLBC members and distinguished guests shared insightful perspectives on various topics:

1. The imperative for Malaysia to adopt a sustainable fiscal policy, considering its annual budget deficits, debt levels, and dependence on hydrocarbon resources.
2. The importance of an open-door policy and good governance for Malaysia's progress.
3. Addressing the perception that Malaysia lacks robust investment policies and faces political instability, along with a smaller domestic market compared to Indonesia. However, Malaysia possesses valuable natural resources, such as access to clean water and electricity supply.
4. The challenges faced by Malaysian companies in international competitiveness due to the introduction of the Carbon Border Tax Adjustment Mechanism (CBAM) come 1 January 2024. Malaysia's stable energy supply and favorable energy mix were acknowledged, but steps must be taken to enhance competitiveness.

5. Notable examples of energy transition initiatives, including Gentari and PETRONAS, whose renewable energy target has increased from 1.2 GW to 30 GW (RE). It was suggested that PETRONAS should focus on organic growth rather than acquiring portfolios to meet their energy transition target.
6. Recognition of domestic direct investment (DDI) as the primary growth engine in Malaysia, rather than relying on foreign direct investment (FDI).
7. Concerns regarding brain drain, as neighboring countries offer better opportunities. While Malaysia boasts a substantial talent pool, more efforts are needed to develop skills and bolster the economy. Initiatives like Microsoft's partnership with the federal government to establish a data center in Malaysia were highlighted, but education reforms and data laws must be addressed.
8. Limited awareness among small and medium enterprises (SMEs) regarding the broader perspectives of business and financing. SMEs tend to view approved loans as working capital rather than opportunities for expansion or development. Additionally, SMEs familiarity on the subject and adoption of Environmental, Social and Governance (ESG) is lacking.

The Networking Brunch concluded at 1:00 PM with closing remarks by Deputy President of KLBC, Dato' Fad'I Mohamed. Dr. Manuela V Ferro was presented with KLBC's coffee table book and a certificate of appreciation from the Forest Research Institute Malaysia (FRIM), acknowledging her participation in KLBC's tree planting project, which aligns with KLBC environmental conservation efforts.

**Prepared by,**

**Secretariat**

**Kuala Lumpur Business Club**