

# Malaysia special

(Promotional content)

## Bolstering ties, shaping futures

**TENGKU ZAFRUL AZIZ**  
MINISTER OF INVESTMENT, TRADE AND INDUSTRY



Malaysia and Japan, both strong proponents of fair, open and rules-based multilateral trade, have demonstrated resilience in the face of economic headwinds. Through strategic partnerships and diversified economic linkages, our countries have built a trusted and enduring relationship rooted in shared values and mutual respect, which provides stability in an increasingly uncertain world.

In 2024, bilateral trade reached an impressive 152.75 billion ringgits (\$33.39 billion), making Japan one of Malaysia's top five trading partners. Malaysia and Japan's common membership in the Regional Comprehensive Economic Partnership and the Comprehensive and Progressive Agreement for Trans-Pacific Partnership has also contributed to increased trade between them.

Japanese investments have long played a pivotal role in Malaysia's industrial and economic growth. By the end of 2024, a total of 2,838 manufacturing projects had been implemented, amounting to \$30.54 billion in investments. These projects generated 344,996 employment opportunities, making Japan the third-largest foreign investor in terms of implemented manufacturing projects.

Japanese investors have clearly seen how they can leverage Malaysia's strategic position as a gateway to the Association of Southeast Asian Nation's 700-million strong consumer market. By investing in Malaysia, Japanese investors also directly and indirectly support small and midsize

enterprises, supporting Malaysia's ambitions for industrial reforms and inclusive, sustainable growth outlined by the New Industrial Master Plan 2030.

Beyond capital and technology transfer, Japan's investments have transformed Malaysia's industrial and economic landscape, enhancing its appeal to other global investors. Japan's corporate track record of success in Malaysia also sends a compelling signal to international firms seeking strategic regional footholds.

Today, the Malaysia-Japan partnership is gaining fresh momentum through joint ventures in key sectors. For example, Malaysia's shift to renewable energy and sustainable technologies — under the National Energy Transition Roadmap — has been boosted by Japanese expertise and experience in green energy development. Additionally, joint efforts to incorporate Japanese precision engineering into Malaysia's growing high-tech ecosystem have enhanced the country's manufacturing competitiveness and industry innovation.

Another vital pillar of this deepening cooperation is in the digital space. Both countries share a strategic interest in artificial intelligence, next-generation connectivity and digital transformation. Malaysia's National AI Roadmap — also integral to our nation's broader reindustrialization ambitions — is complemented by both the New Industrial Master Plan 2030 and the National Semiconductor Strategy.

The expansion of Malaysia-Japan engagement highlights both countries' capacity to adapt to evolving challenges. Together, we can advance sustainable development, digitalization and inclusive growth, demonstrating that the partnership is not only enduring, but also dynamic and forward-looking.

The year 2025 marks Malaysia's turn as ASEAN chair, a responsibility assumed with pride and purpose. As chair, Malaysia

is committed to strengthening regional integration, economic resilience and connectivity, while enhancing its relations with key ASEAN dialogue partners, including Japan. Hence, the expanding Malaysia-Japan collaboration stands as a cornerstone of ASEAN's strategic progress.

Malaysia is also proud to be part of the Osaka Expo, exactly 55 years after Japan and the city's debut as host of Expo '70.

The Malaysia Pavilion, under the theme of "Weaving a Future in Harmony," celebrates the intertwining of the country's rich heritage with its ambitious future. Its bamboo facade, inspired by the intricate patterns of Malaysia's traditional *songket* fabric, symbolizes unity in diversity — fundamental elements of Malaysia's national identity. A luminous beacon at night, the pavilion merges innovation with tradition seamlessly. As a testament to the strong appeal and growing cultural connections among Malaysia, Japan and the world, the pavilion has attracted more than 1.5 million visitors to date.

Through continued partnership and shared vision, Malaysia and Japan will continue to meet global challenges together, while building a future that embodies progress, harmony and prosperity for both our peoples and the world.



**The Malaysia Pavilion at the Osaka Expo showcases elements of the country's identity.**  
MALAYSIA PAVILION



**The Malaysia Pavilion uses bamboo, which has deep roots in both Malaysia and Japan, to symbolize the interweaving of cultures and ethnicities in the country.**  
MALAYSIA PAVILION

## Building on a long-lived relationship with a key ally and trading partner

**CARL FREIRE**  
CONTRIBUTING WRITER

Upon achieving independence from the British in 1957, Japan was one of the first countries with which Malaysia established diplomatic relations. Japan soon established itself as one of Malaysia's top trading partners, and as of last year by one metric it ranked as the fourth-largest in Malaysia.

This strategic partnership has evolved over the decades based on mutual trust. Economic cooperation remains a key component, and collaboration between Malaysian and Japanese businesses continues to thrive.

In 2025, attention in this area is being drawn to such areas as green technology,

digital transformation and the halal trade.

The Malaysia-Japan relationship also encompasses cultural and people-to-people interaction at all levels. This includes youth exchanges, Japanese experts traveling to Malaysia to deliver lectures and participate in education programs, and young Malaysians traveling to Japan for higher education.

When it comes to Malaysia's relations today with Japan — and the rest of the world — the Malaysia Pavilion at Expo 2025 may be a good place to start.

### Business, culture in spotlight

Designed by prominent Japanese architect Kengo Kuma, the woven bamboo facade of the Malaysia Pavilion is meant to sym-

bolize unity and growth under a shared sky. The structure is said to represent "the essence, innovation and cultural warmth of an entire nation." In more concrete terms, the pavilion, the materials used to build it and the exhibits within are all intended to bring to mind Malaysia's rich biodiversity.

The purpose for Malaysia having the pavilion at the expo is to promote investment, innovation and cultural diplomacy. Specifically, the Malaysian government hopes to showcase the country's technological and innovation capabilities while strengthening strategic collaboration with other nations, including Japan.

The pavilion is laid out to highlight everything from green initiatives and inno-

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## Working together to power Japan's future

**SHAMSAIRI IBRAHIM**  
VICE PRESIDENT, LNG MARKETING AND TRADING, PETRONAS



For over 40 years, Petrolia Nasional Berhad (PETRONAS) has stood shoulder to shoulder with Japan, quietly and consistently delivering the energy that powers homes, industries and aspirations. What began with a single liquefied natural gas cargo has evolved into a long-standing legacy built on mutual trust, shared progress and enduring partnership.

This is a relationship I have personally witnessed evolve. In a world of constant change, our bond has only grown stronger. Together, we have navigated shifting market dynamics, geopolitical uncertainties and operational challenges. At every turn, we've worked through these complexities with one goal in mind: ensuring continuity of business so it remains reliable and sustained for many years to come. We have never turned away from each other when support was needed.

That is not just a reflection of our track record, but also the values we uphold with our long-term partners around the world. At PETRONAS, reliability is part of our DNA, not merely something we strive for.

### Supporting Japan's energy

Japan's energy priorities are undergoing a significant transformation, with sharper emphasis on securing supply and reduc-

ing harmful emissions.

At Petronas, we've listened, adapted and strengthened our global portfolio to offer more resilient and flexible solutions to today's problems.

Today, our LNG supply chain stretches from Malaysia to Australia, Egypt and, most recently, Canada. With LNG Canada, we now offer an additional direct and efficient shipping route and improved supply diversification.

Powered by hydroelectric and renewable energy and equipped with energy-efficient technologies, LNG Canada is among the lowest-emitting plants in the world, with a greenhouse gas intensity about 60% lower than the global average. To complement this, we have also introduced a newer fleet of energy-efficient LNG carriers, ensuring lower-carbon energy continues to reach Japan.

These capabilities are not just technical features, they reinforce our commitment to supporting Japan's energy security today, contributing to a more sustainable tomorrow.

### Lower carbon future

As Japan accelerates its energy transition and continues to play a leading role in the region, Petronas stands ready to support that ambition.

We are working closely with our Japanese partners to decarbonize across the entire value chain. This includes joint efforts in carbon capture and storage, collaboration through the Methane Leadership Program and partnerships in exploring the renewable energy space, such as the hydrogen and ammonia value

chains. These efforts reflect our shared resolve to act responsibly and support a just, pragmatic transition for the generations ahead.

### Long-lasting relationship

Over the years, I have had the honor of meeting many of our Japanese partners. Their dedication, precision and long-term vision continue to inspire us. We hope that our consistency, adaptability and sense of responsibility continue to earn your trust in return.

At Petronas, we do not take this relationship for granted. We nurture it every day. We are here, ready to support your energy goals and to grow with you through this transition, delivering LNG not just as a destination fuel, but as a commodity with lasting value.

### Invitation to keep building

At Energy Asia 2025, we witnessed Japanese energy leaders share valuable insights onstage, alongside country spotlight sessions and the Asia Zero Emission Community Pavilion. These thoughtful exchanges sparked fresh ideas and reinforced the importance of collaboration across borders.

As we look ahead to Energy Asia 2027, we invite our Japanese partners to continue the dialogue toward shaping Asia's energy transition.

Let's keep this momentum going and continue building on our shared legacy, as we work together to enrich lives and shape a more sustainable future.

For more information, visit [www.petronas.com](http://www.petronas.com).



**The LNG Canada facility in Kitimat, British Columbia**  
PETRONAS



## Powering Japan's Future, Together

Since 1982, PETRONAS has had the honor of being a trusted energy partner to Japan. Born in Malaysia, our integrated value chain has steadfastly supported the vibrant cities and communities of this remarkable nation.

This Malaysia Day, we celebrate the strong partnership between our two countries, a relationship built on mutual trust, shared progress and enduring friendship.

As Japan advances its energy transition, PETRONAS remains committed to delivering reliable energy to meet Japan's evolving needs.



Scan here to learn why PETRONAS is the right partner for you.

**Passionate about Progress**



# Malaysia special

(Promotional content)



Students take part in an entrance ceremony at the University of Tsukuba, Malaysia in Kuala Lumpur in September 2024. UTMY

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ventions to providing a space for business discussions related to trade, investment and collaboration. Within these connections, one of the projects being hosted at the pavilion is the Malaysia Business Program. Launched in April and slated to run through October, the program is aimed at fostering bilateral economic activity, generating memorandums of understanding for future projects and — with Japan specifically in mind — presenting Malaysia as a gateway to Southeast Asia.

In this regard, Malaysia's Deputy Prime Minister Datuk Seri Fadillah Yusof said at a news conference in Osaka in May that his country's presence in Osaka had secured more than 8 billion ringgit (\$1.9 billion) in potential investments and 20 memorandums of understanding. By mid-May, for example, the two countries had already signed three strategic agreements valued at \$3.18 billion. The agreements were all aimed at strengthening Malaysia-Japan collaboration with the goal of promoting a low-carbon and bio-based economy.

The business program also featured pitch sessions for Malaysian startups to present their work to potential investors, as well as seminars and talks aimed at raising awareness about efforts in Malaysia to create a sustainable economy and encourage a digital transformation.

Beyond this, the pavilion's layout also included spaces for visitors to encounter traditional Malaysian handicrafts firsthand and even sample Malaysian cuisine.

## Collaboration expands

Business collaboration between Malaysia and Japan extends what can be seen through the lens of the Osaka Expo. First, Japanese companies continue to make direct investments in Malaysia. One potential target is the ASEAN (Association of Southeast Asian Nations) Power Grid initiative. The goal of this initiative is to create an efficient, reliable and resilient electricity infrastructure in the belief that this will stimulate regional economic growth and development. To be sure, such investment is likely to boost technology exports, but as some observers point out, it will also promote decarbonization and the development of renewable energy.

Japanese companies are also investing in semiconductor assembly, smart manufacturing and digital services in Malaysia. For example, in April, Tokyo-based Ferrotec Holdings Corp. broke ground on a second plant in Kedah state, northwestern Malaysia, intended to beef up its manufacturing capacity for chip components. Just a year ago, Prime Minister Anwar Ibrahim specifically noted that "active Japanese FDI (foreign direct investment) has been a crucial factor in the success of Malaysia's

semiconductor industry."

Smart manufacturing likewise has been an area of mutual interest. For example, since 2019, the Japan External Trade Organization and Malaysia's SIRIM Berhad (formerly known as the Standard and Industrial Research Institute of Malaysia) have been working together to introduce small and midsize enterprises in Malaysia to Japanese smart manufacturing technologies.

Finally, bilateral collaboration has been taking place in the digital services market as well. In 2023, for example, Japanese trading giant Mitsui & Co. invested \$58 million in Malaysia's Axiata Digital & Analytics. ADA, which describes itself as the largest independent data and artificial intelligence company in the region, described it as a "strong endorsement" of their work as they deepen their collaboration with Mitsui to empower the latter's partners in those areas.

While somewhat indirect, the Osaka Expo also presented another avenue for Malaysian-Japanese collaboration in halal diplomacy. Malaysia hosted a seminar about its halal food industry at the pavilion with the goal of expanding such trade. This was part of Malaysia's efforts to strengthen relations around the region by boosting its halal ecosystem.

This ecosystem entails, among other things, setting standards for ingredients and products, as well as connecting with halal-certified suppliers in Japan and elsewhere. In fact, speaking to reporters from Malaysia's Bernama news agency this past May, Japanese Ambassador to Malaysia Noriyuki Shikata said that Malaysia has been attracting foreign investment in the food industry from Japan and elsewhere precisely because of the nation's halal certification regulations.

## Malaysia as ASEAN chair

ASEAN's chair rotates among its members every year. This year, the duty was passed on to Malaysia. Under the theme of "Inclusivity and Sustainability," Malaysia has been advocating for inclusive and sustainable regional growth, digital innovation and economic resilience.

From Malaysia's perspective, this complements its ties with Japan through the ASEAN-Japan comprehensive partnership. That partnership has evolved in the particulars since it was first established in 1973. Still, the core principles remain: cooperation in peace and security; engagement with one another at all levels for mutual economic prosperity; cooperation regarding science, technology, innovation and the environment; social, cultural and people-to-people exchanges; and regional and global cooperation.

Meeting earlier this month, ministers from Japan, Malaysia and other ASEAN

countries renewed their calls for effective implementation of their shared vision for the partnership. This echoed Prime Minister Shigeru Ishiba's call from this past January for building a more multilayered relationship between the two countries. Whatever the case, Malaysia continues to view Japan as a key partner in Malaysia's regional agenda. Earlier this year, the leaders of both countries affirmed the importance toward this end of maintaining supply chains in the region. Another regional issue has been that of connectivity, and toward that end, Japan has been meeting with ASEAN regularly since 2011 to discuss matters of mutual concern as improved connectivity is seen as a means for narrowing development gaps.

## A shared future

Since 1957, Japan and Malaysia have pursued people-to-people exchanges. This stance was given renewed emphasis in 1982 with the launch of Malaysia's "Look East" policy. The purpose of that policy was to find ways to learn from such successful regional partners, gain knowledge of best practices at the ground level, and adopt those lessons to Malaysia's own development plans.

Among the means for pursuing these exchanges is encouraging university students from each country to study in the other. Shikata, for example, noted recently that there has been a 25% increase in Japanese students enrolled in Malaysian universities. Tourism from Malaysia to Japan has likewise been surging.

In terms of governmental action, Malaysia last October sent delegates representing various government institutions to Japan to learn about Japanese productivity development initiatives and strategies.

One notable milestone in this regard was the opening of the University of Tsukuba's overseas campus in Kuala Lumpur. This marked the first instance of a Japanese university opening a campus abroad that would award Japanese degrees. Tsukuba President Kyosuke Nagata, in his address for the occasion, noted his hope that the campus would develop human resources capable of solving global issues facing Malaysia and neighboring countries.

Through all this, the hope for Malaysia is that by continuing to "Look East," this thriving cooperative relationship with Japan will continue.

Talent development, cultural exchanges and student exchanges similarly seem unlikely to abate. But perhaps most important of all, as Malaysia positions itself as a regional hub for investment and innovation, its collaboration with Japan will remain central as countries throughout the region work to build a resilient and sustainable future.



## University of Tsukuba, Malaysia School of Transdisciplinary Science and Design



- ✓ 4-year undergraduate program
- ✓ All courses can be completed in Kuala Lumpur
- ✓ All courses are conducted in English
- ✓ Degree issued: Bachelor of Arts and Science (Equivalent to degrees from University of Tsukuba, Japan)



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Contact: [utmy-kyomu@un.tsukuba.ac.jp](mailto:utmy-kyomu@un.tsukuba.ac.jp)

Levels 5, 6, 7, 8, 12, 14 and 16, Wisma R&D, Universiti Malaya, Jalan Pantai Baharu, 59100 Kuala Lumpur