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Tajuk : Ministerial Statement by YB Datuk Ewon Benedick in the 11th Asia Pacific Cooperative Ministers' Conference

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Ministerial Statement By;
YB Datuk Ewon Benedick
Minister of Entrepreneur Development and Cooperative
In Conjunction of the 11th Asia Pacific Cooperative Ministers' Conference
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INTRODUCTION

1. First and foremost, I would like to express my gratitude to the Hashemite Kingdom of Jordan and Jordan Cooperative Corporation (JCC) for inviting me to this auspicious 11th Asia Pacific Cooperative Ministers' Conference (APCMC). I believe that this quadrennial conference will present opportunities for participating countries to share and exchange of experiences on the partnership between government and co-operatives that is taking place in our respective countries. The 11th APCMC is also timely given that the United Nations General Assembly's Resolution on Cooperatives in Social

Development had proclaimed that the year 2025 is to be the International Year of Cooperatives, which will open up windows for collaboration between all cooperatives within the Asia-Pacific region.

Excellencies, ladies and gentlemen,

2. In Malaysia, the cooperative sector is under the purview of Ministry of Entrepreneur and Cooperatives Development. We have two agencies that work hand in hand to enhance the sector's role in enhancing Malaysia's socio-economic growth, namely:

i. The Malaysia Cooperative Societies Commission which regulates the sector and oversees the development of relevant policies for cooperatives; and

ii. Cooperative Institute of Malaysia which serves as the training arm of cooperative movement.

3. Besides these two agencies, we also have ANGKASA, the apex cooperative body that represents the Malaysian cooperative movement at national and international level. ANGKASA is an active member of the International Cooperative Alliance (ICA), and their officials are also elected representatives at the regional and global level of the ICA. On top of that, ANGKASA is also presiding the ASEAN Cooperative Organization, a sub-regional centre for ASEAN cooperative movement; overseeing more than 300,000 cooperatives with 65 million individual cooperators. Furthermore, ANGKASA is also assisting its members in stimulating and developing their cooperative businesses in promoting the understanding of cooperative values and principles.

MALAYSIA COOPERATIVE LANDSCAPE AND PERFORMANCE

4. Malaysia's cooperative movement began in 1922 following the introduction of the Co-operative Societies Enactment 1922. This sector has expanded steadily over the years and continues its major role to drive socio-economic development a guide for the country. With only 11 cooperatives at the beginning of its existence, this number grew remarkably to 15,809 registered cooperatives with 7.2 million members in 2023, which represents about 21 percent of the country's population. Meanwhile, the shares and subscription of the cooperatives sector currently stand at USD3.7 billion with USD35.1 billion worth of assets and USD13.7 billion of annual turnover.

Excellencies, ladies and gentlemen,

MALAYSIA CO-OPERATIVE POLICY 2030 (DaKoM 2030)

5. The ever-evolving global landscape due to the constant shifts in economic, social and environmental aspects, has prompted the Malaysian Government to formulate policies and strategies for the cooperative movement to adapt to and build its resiliency. Hence, the Malaysia Co-operative Policy 2030 or known as DaKoM 2030 was launched in 2023. It is a policy document that outlines strategic directions for cooperatives movement in enhancing their economic performance and members' social well-being with the vision to position this sector as a key catalyst for Malaysia's socio-economic growth.

6. DaKoM 2030 was formulated to map out the direction of the cooperatives movement until 2030; in line with the 2030 Agenda for Sustainable Development. It was designed with four core principles and 20 strategies to achieve the targeted revenue of USD 12.69 million in 2025 and USD15.44 million by 2030. The three key objectives of DaKoM 2030 are:

i. To ensure that cooperative sector contributes significantly to Malaysia's economic growth;

ii. To form a capable and established cooperatives that are accepted by all Malaysians; and

iii. To position cooperatives as a preferred business model in driving Malaysia's socio-economic development.

7. In addition, the four core principles of DaKoM 2030 centre around the transformation of cooperative's support towards developing a more holistic and conducive ecosystem; increase the understanding and appreciation of the cooperative principles, enhancing the capacity and capability of cooperatives; and advancing the cooperative sector as the main vehicle for socioeconomic development.

Excellencies, ladies and gentlemen,

COOPERATIVE DIGITALIZATION ACTION PLAN 2030 (DigiKOP2030)

8. The Covid-19 pandemic has led to an inevitable surge in the use of digital technologies due to nationwide and global lockdowns. People and organizations all over the world have had to adjust to new ways of work and life. The impact of digitalization in business during the pandemic shows that it is crucial for all business entities to shift from their traditional business model to online presence to remain relevant in the business.

9. In response to this changing environment, the Ministry has launched the Cooperative Digitalization Action Plan 2030 (DigiKOP2030) in July 2023. This plan consists of strategic initiatives to drive a progressive, competitive, and sustainable cooperative movement in Malaysia.

10. The objectives of this plan are:

i. To transform the cooperatives movement towards digitization. Cooperatives need to shift from their conventional ways of doing business into adapting technology and digitization in offering their products and services, as well as modernizing their back-end processes using computerized technology and digital systems;

ii. To develop knowledgeable, efficient and competent digital talents to embrace and be successful in digital economy; and

iii. To create an integrated, inclusive, safe, and ethical digital ecosystem.

ESTABLISHMENT OF UNIVERSITI KEUSAHAWANAN KOPERASI MALAYSIA (UKKM)

11. In order for Malaysia to build a resilient and high-performing cooperative sector, we believe that it is crucial to strengthen cooperatives' human capital development. Adopting lifelong learning approach through training for cooperative members, managers, employees and elected representatives, is the best approach to equip them with necessary skills and knowledge to manage their cooperative efficiently and effectively.

12. In this regard, the Malaysian government has officially opened the Universiti Keusahawanan Koperasi Malaysia (UKKM) in March 2022, is the first cooperative university in the country, it focuses solely in developing professionals and talents in the cooperative sector. Its aims is to ensure that the cooperative sector will be led and managed by competent, dynamic and forward thinking individuals.

13. UKKM currently offers seven learning programs with the highest being the Doctor of Philosophy in Entrepreneurship. All programs have been accredited by the Malaysian Qualifications Agency, the

statutory body which oversees quality standards universities. The accreditation by MQA indicates that the programs offered by UKKM have met the required standard of high-quality education for its students.

14. The cooperative sector in Malaysia has immense potential for progress in Malaysia's socioeconomic development. Previous achievements have articulated how this sector's policies have been improvised to deal with the uncertainties especially those influenced by the external environment. The success of cooperatives is determined by their ability to continue to survive and compete in the business world which is persistently becoming more challenging in the era of globalization and market liberalization.

Excellencies, ladies and gentlemen,

SUCCESS STORIES OF SELECTED MALAYSIAN COOPERATIVES

15. The effectiveness of policies introduced by the Ministry can be seen through the remarkable achievements of some of the cooperatives in Malaysia.

For example, Bank Rakyat is the biggest Islamic cooperative bank in Malaysia has achieved significant accomplishments in 2023. It has been listed among the top 300 global cooperatives and ranked 244th in the World Cooperative Monitor. It is a recognition of their performance and contribution to the country's economy. Bank Rakyat also stands out in the financial sector by holding the largest market share when it comes to offering personal financing in Malaysia.

16. In addition, the Malaysian Armed Forces Co-Operative has achieved a notable performance recently by announcing a dividend payout amounting to USD 27.24 million to its members, compared to USD 18.59 million distributed in the previous year. The cooperative also reported a net income of USD 53.47 million for the year, with profits before tax and zakat totalling USD 32.17 million. These strong financial results are attributed to the cooperative's successful financing services offered to Small and Medium Enterprises.

17. The Malaysian Armed Forces Co-Operative has also provided assistance amounting to USD 3.70 million to its members in the areas of education, medical needs, and general welfare. In recognition of its performance, the Malaysian Armed Forces Co Operative has been given the recognition as one of the premier cooperatives from the Malaysia Cooperative Societies Commission for the third consecutive year, highlighting its consistent ability to offer high returns to its members amidst challenging economic conditions.

18. Last but not least, Co-opbank Pertama Berhad (CBP), has recorded its highest profit before tax in its history, amounting to USD 21.60 million for the financial year ending December 31, 2022; an impressive 20% increase compared to the previous year. This led to the highest dividend payout of USD 12.72 million to more than 90,000 of its members. The bank attributed the growth in profit to its personal financing and Islamic pawn broking services (Ar Rahn), as well as home financing, alongside cooperative and corporate financing.

19. Apart from these premier cooperatives, school cooperatives play a vital role in enhancing the cooperatives ecosystem in Malaysia. Until 2023, a total of 2,485 school cooperatives has been registered with a total membership of 2.05 million. Its achievement has contributed of the overall stellar performance of the cooperative sector. What makes it even more impressive is that several school cooperatives manage to achieve an annual turnover of more than USD200 thousands. The resounding

success of the school cooperative movement lies in its comprehensive approach in imparting entrepreneurial skills to students in school by fostering business acumen, and instilling values of integrity, empathy, and innovation, to empower students to excel in today's dynamic landscape.

WAY FORWARD Conducive environment for cooperative-to-cooperative business to happen

Excellencies, ladies and gentlemen,

20. Food security is a global and challenging issue to resolve, and Malaysia is no exception to the growing threat of rising food insecurity. We believe that cooperatives can play a significant role in enhancing not only food security for our respective nation but also for the Asia Pacific region. Therefore, building a network of cooperatives in the region and forming collaborations through this network will help to enhance food security in the region. We can leverage on the strengths of these cooperatives and learn from their mistakes to further enhance their business particularly those related to the import and export of food supplies.

21. I would like to take this opportunity to call upon all ministers and governments involved in cooperative development across the Asia Pacific region, to prioritize initiatives that provide an enabling environment for cooperative-to-cooperative (C-2-C) trade to happen. By collectively supporting and championing these efforts, regional cooperation among cooperatives will be enhanced and substantial contribution can be made in addressing food security challenges in the Asia Pacific region. In addition, the collective action among all stakeholders to prioritize and support cooperation among cooperatives especially in providing conducive conditions for trade activities to happen, will help the movement to resiliently respond to the rapid changing of the environment.

22. Once again, I would like to record my gratitude to the organizers for inviting me to this auspicious event. I am happy to welcome collaborations with cooperatives in the Asia Pacific to explore possible partnerships as I believe cooperatives are not only able to eradicate poverty and dignify people's lives, but cooperatives will also bring prosperity to the community, people and country as a whole.

With that, I thank you.