

## **Zeti Akhtar Aziz: Regional integration and global integration – is there a conflict?**

Speech by Dr Zeti Akhtar Aziz, Governor of the Central Bank of Malaysia (Bank Negara Malaysia), at the Official Monetary and Financial Institutions Forum Kuala Lumpur Debate, Kuala Lumpur, 20 March 2015.

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It is my great pleasure to welcome you to the inaugural Kuala Lumpur Debates, which is being held on the side of the 19th ASEAN Finance Ministers and Central Bank Governors Meetings. It is envisaged for this to be the first in a series of KL Debates intended to serve as a strategic forum for policy makers, industry players as well as members of the public to constructively discuss the key issues confronting the economies of our region and thus to facilitate greater understanding as we work towards building stronger foundations for sustainable growth.

The motion that is put forward for debate today is “*Regional integration and global integration: is there a conflict*”. The debate format is chosen to allow both points of view to be heard, thereby ensuring a balanced discussion and evaluation of the issues. This topic is highly relevant to ASEAN as there have been various views on ASEAN integration and what it means for the rest of the world.

East Asia in particular has become more integrated than ever before as manifested by the size of intra-regional trade, which now accounts for about half of the region’s total trade in 2014, and the increase in intra-regional investment flows (foreign direct investment for ASEAN-10 for example rose more than 50 percent to 17% in 2013 from 11% in 2003). Regional cooperation such as the harmonisation of rules, liberalisation and deregulation in various economic sectors, enhancing regional safety nets, has also intensified since the Asian financial crisis. The increase in the network of dialogue has also brought the region closer together. These trends have coincided with Asia’s increasing significance, influence and integration in the world economy, with the region contributing to more than half of global growth since 2008. There is hence a growing international interest to better understand the region and the implications of the greater regional integration in Asia within the context of the global economy.

I believe we have an eminent and well qualified panel of speakers to provide us their perspectives on this topic. I hope you enjoy listening to their views. I am certainly looking forward to it.

On that note, I wish to thank OMFIF for co-hosting this debate with Bank Negara Malaysia.