

Madelena Mohamed: Supply chain resilience - insights into greening value chains for ASEAN

Keynote speech by Ms Madelena Mohamed, Assistant Governor of the Central Bank of Malaysia (Bank Negara Malaysia), at the High-Level Dialogue on "Supply chain resilience: insights into greening value chains for ASEAN", Kuala Lumpur, 8 April 2025.

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It is a privilege to welcome you to this High-Level Dialogue on Supply Chain Resilience, where we can exchange ideas and insights into greening value chains for ASEAN. The drive towards net-zero targets across ASEAN countries underscores a critical reality – decarbonising value chains, especially SMEs, is vital for both regional competitiveness, growth and resilience.

SMEs account for more than 99% of ASEAN business ecosystems. Yet many SMEs face structural limitation and implementation hurdles to climate action. These include financial constraints, skill gaps and insufficient access to technical support. Export-oriented SMEs in ASEAN are at risk of losing USD237.5 billion in potential revenue if they fail to transition to greener and sustainable practices.¹ Transitioning SMEs is more than just about cutting carbon emissions or using cleaner technologies – it is about future-proofing economies by improving resource efficiency, reducing costs, and building resilience against climate and other disruptions.

As we navigate the evolving global economic landscape, we must recognise the shifting dynamics that are reshaping international trade. In particular, the recent imposition of tariffs has surfaced the vulnerabilities arising from over-reliance on any particular markets or sectors. For ASEAN nations, this presents an opportunity to reassess our approach to trade and economic cooperation.

ASEAN is progressing well in its journey towards becoming the fourth-largest economic bloc by 2030. In 2025, ASEAN's GDP is projected to grow by 4.7%, surpassing global growth – this has yet to account for the tariff policy announced by the US administration last week. Early assessments based on what we know, is that the impact will be significant, given that we are mostly small open economies. But it is not something we cannot handle. Our region has faced difficult challenges before and endured extreme volatility in the past – yet, we have consistently emerged stronger. By deepening regional integration and intra-ASEAN trade ties, and diversifying our economies within the region, we will be better positioned to mitigate risks arising from global uncertainties. This includes, expanding and greening our supply chains, investing in new industries and markets, and leveraging on our collective strengths – be it in manufacturing, technology, or services – to foster a sustained, long-term growth.

In light of some of these changing dynamics, Malaysia, under the stewardship of the Joint Committee on Climate Change or JC3, set in motion a pilot blended mechanism known as Greening Value Chain programme or GVC in 2023. The GVC programme provides SMEs with support that extends beyond access to funding in their transition

journey. SMEs are accorded with access to technical training, and practical tools to begin their journey towards decarbonising their operations, in addition to funding at competitive rate.

A central element of this programme is the role of anchor companies – typically large corporates – to support SMEs within their respective value chains. More than 330 SMEs have undergone technical training since the start of the programme, and nearly half have started to measure and report their GHG emissions. 'Alone we can do so little; together we can do so much'. With this principle in mind, we blended three key components namely Collaboration, Innovation and Continuous Improvement to accelerate the decarbonisation journey of SMEs participating in the GVC.

First, we learned early on that a whole-of-ecosystem approach is necessary to achieve meaningful progress. Effective collaboration means having a common platform for individual parties to build on each other's expertise and experience. This allows comprehensive solutions that enhance feasibility of SME transition. Under the GVC, for example, we have seen large corporates acting as anchor sponsors, allowing SMEs to utilise their infrastructures and knowledge to transition.

Second, having a win-win partnership amplifies impact. With the right support, SMEs become more receptive to new solutions. We observed how incentives and financial aid from anchor corporates as well as participating financial institutions help the transition of their SME suppliers. Smart partnerships address resource constraints and foster a culture of innovation.

Third, sustaining the change is imperative. The system must be agile and flexible to adapt to evolving needs of SMEs. Adaptive frameworks, iterative policy enhancements, and continuous commitment from all stakeholders are essential for impact to be realised, and for the change to last.

Conclusion and call to action

Each country is different. Yet, despite the idiosyncrasies, we share many common challenges. There is immense scope to learn from each other and adapt tested solutions to local context in this region. The GVC Playbook for ASEAN aims to contribute to this shared journey. Beyond capturing valuable lessons from Malaysia's experience, the playbook serves as a practical resource for policymakers, financial institutions, and businesses across ASEAN looking to integrate sustainability into their value chains.

To all participants here today – corporates, SMEs, financial institutions, and policymakers – I encourage you to optimise the GVC Playbook and explore ways to enhance your sustainability efforts. Together, we can achieve a more resilient, competitive and sustainable development across ASEAN.

Thank you and I wish you a productive session ahead.

¹ Estimation based on 3 key exporting nation in ASEAN i.e. Malaysia (USD65.3 billion), Indonesia (USD25.6 billion) and Singapore (USD146.6 billion). Source: [Multinational Companies Planning to Cut Suppliers by 2025](#)