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KUALA LUMPUR: Asean is intensifying green energy initiatives and digital innovation to bolster supply chain resilience and maintain its role in global trade amid evolving US-China dynamics.

Investment, Trade and Industry Minister Tengku Datuk Seri Zafrul Abdul Aziz said industries across the region are redesigning supply chains with a focus on resilience, while policymakers are fostering collaboration to mitigate risks and seize new opportunities.

"Navigating US-China relations is going to be important for Malaysia and Asean because the supply chain is so critical to the region. Companies are engaging with us. They are redesigning it based on resilience, security, and commercial considerations.

"As policymakers, when we engage with our neighbours and partners, we must diversify and mitigate risks," he shared in a brief posting on X following the recently concluded World Economic Forum 2025 held in Davos, Switzerland.

Tengku Zafrul said Malaysia's National Energy Transition Roadmap aligns with regional efforts such as the Asean Power Grid to ensure accessibility to renewable energy.

He noted that advancements in artificial intelligence (AI) and digital technologies also present growth opportunities, despite challenges such as chip export restrictions.

He highlighted Malaysia's position as a small, open economy with a trade-to-gross domestic product (GDP) ratio of around 180%. "For Malaysia, 80% of exports are in manufacturing, while only 20% are in agriculture. The manufacturing sector contributes a quarter, or 25%, of our GDP," he said.

Tengku Zafrul also emphasised Asean's collective strength as the fifth-largest economic bloc globally, with a GDP of US\$3.8 trillion (RM16.6 trillion) and a population of 680 million. "With that trajectory, we should become the fourth-largest economic bloc," he added. — Bernama