

## **Marching Ahead as Global Britain**

Diplomat Dialogue Series with Her Excellency Victoria Treadell, British High Commissioner to Malaysia  
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With Great Britain announcing its exit from the EU in June 2016 following a referendum, the country is now at a crossroads. BREXIT is a concern for any country with bilateral ties to Britain, especially where trade and investments are involved.

KLBC invited the British High Commissioner to Malaysia, Her Excellency Victoria Treadell, to speak about Britain's impending exit from the EU and its impact on the country's relationships around the world, particularly Malaysia.

One message rang loud and clear. Nothing has changed as far as Britain and the rest of the world is concerned. Her Excellency pointed out that while preparing itself to be 'match ready' to invoke Article 20 and the eventual exit from EU, Britain has already started to march ahead as Global Britain, as mandated by the new government of Theresa May. She pointed out to KLBC members that Britain's economy is the strongest in Europe and economic fundamentals are sound, and that Prime Minister May is acting with speed and intent to take Britain to the next level of its ambition as Global Britain.

"To facilitate this, two new ministries were created almost instantly. One, the Brexit Ministry that is responsible for negotiating the terms of the EU exit and two, a dedicated International Trade Ministry to strengthen ties with trade and investment partner" she added - And the latter's officials have already started travelling to US, Japan, China and India. Malaysia received the Treasury Minister, the first to visit the country in a long time.

With Britain's deep, long standing relationship with Malaysia going back to the 1800s, Her Excellency stated that Britain plans to further deepen and widen their relationship with Malaysia. Malaysia's relationship with Britain has, is, and will continue to be based on two key fronts:

1. Bilateral trade & investments
2. Geopolitical relations- within ASEAN and Asia in the wider context

British interests in Malaysia are to a large extent in the manufacturing, services and education sectors and they are quietly creating long term employment and stock value. The High Commissioner plans for British investment inflows to be more in the public eye and not remain as "taken-for granted wallpaper".

Her Excellency reminded KLBC members that Global Britain is not a new phenomenon. It has always been there with or without the EU. However, with BREXIT, it will soon evolve into a more modern and independent political and economic mandate, whilst staying true to Britain's pioneering spirit. It will also see Britain chart its own course negotiating FTAs with Malaysia and other countries.

Her Excellency added that, "The outcome of the referendum represents a perception of a Britain shrinking back. This is not about Britain shrinking back, it represents a wider global malaise that we are seeing in a number of countries." There is a widespread disillusionment of people in the West, especially in the UK and the US, with politics and politicians. People have come to feel that politicians don't hold their interests at heart. As a result, they have become disconnected to the government and its institutions and want change.

The new model for Great Britain after its exit from the EU will hinge on two things:

1. Access to markets – Within the EU and the rest of the world
2. Control of borders – With a clear distinction between free movement of people and free movement of labour

This is the vital role Global Britain will play. Britain's new job now is to negotiate its amicable exit and forge a new relationship with itself, the EU and the rest of the world.

## The Outlook

The pertinent issue now is to delve deeper into the dynamics of the Global Britain-ASEAN and Global Britain-Malaysia relationship.

In South-East Asia and Asia as a whole, BREXIT has created a sense of uncertainty and financial volatility, but therein also lies opportunities. Britain exports around USD15 billion to the ASEAN market, and a depressed pound could help savvy economies in the region seize the opportunity. Furthermore, Malaysia has indicated its willingness to negotiate a free trade agreement with post-BREXIT Britain. This comes under the jurisdiction of the newly established International Trade Ministry that will have more clout since it will subsume previously stand-alone departments.

However, according to MITI, BREXIT will only have minimal impact on trade and investments in the medium to long term because of Malaysia's strong fundamentals and economic diversification. The time horizon is long and currency volatility is also factored into FDI-related contracts. Britain is pursuing a new FTA with Malaysia, which will fundamentally change the relationship between the two countries, although Her Excellency did stress to KLBC members that the past and present relationship was never governed through the prism of the EU.

Britain's strong, long-standing relationship with Malaysia is testament enough to continuing even stronger political and economic relations going into the future. "British banks were the first to deliver retail banking to Malaysia, with Standard Chartered Bank and HSBC opening branches in the country. Britain has had significant investments in Malaysia for decades, with British companies operating offices and manufacturing bases here. There are currently 24 firms that have invested RM87 billion and created 80,000 jobs in Malaysia, among others not accounted for," said Her Excellency. "Britain will continue to support its businesses and investments in Malaysia with renewed vigour," she added.

Among the top concerns are Britain-Malaysia relations in the education sector. It's a known fact that British academic institutions are global.

"Britain also has 18 of the top 100 universities in the world. Malaysia has five branch campuses of British universities – to not only attract Malaysian students but also students from around the region for whom getting an education in the UK may be too expensive." added Her Excellency.

During the Dialogue's Q&A session, the question of a blanket ban on post-graduation employment was raised. Her Excellency responded by saying that there are groups from within the British government that believe student visas should be excluded from immigration statistics simply because it is a revenue earner for the British economy. She said that students will most likely be able to work but it must be in graduate level jobs that reflect their course of study.

Looking at Global Britain's overall role in the world post-BREXIT, Her Excellency pointed out, "Britain is still a member of the G7, G20, NATO, has a permanent seat on the UN Security Council and is a leading member of the Commonwealth." Britain will host the next CHOGM 2018, and Malaysia the following one. According to Her Excellency, Britain and Malaysia are exploring avenues for collaboration as CHOGM host countries.

Her Excellency concluded by saying, "Between now and when we invoke Article 50 and once we have done so we know we have a two-year timeframe at the end of which, either we have a deal or we don't. But what I can say is that we are going to deepen and broaden our relationship with every important trading partner we have around the world. We are also going to deepen our political engagement and bilateral relationships because we need to have that strength, that robustness, that diversification of our own export markets so that we are ready to withstand whatever that outcome might be".

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