

Khazanah Megatrends Forum 2025

“Debugging Uncertainty: Lessons from the Grasshopper and the Ant on Living with Risk”

WELCOME REMARKS FOR KMF 2025

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Distinguished KMF Speakers;

Board Members of Khazanah Nasional Berhad;

Distinguished guests;

Ladies and gentlemen,

Assalamualaikum Warahmatullahi Wabarakatuh and welcome to the Khazanah
Megatrends Forum 2025.

BRIEF INTRODUCTION OF KMF AND ITS HISTORY

1. **20th KMF** – This year’s Khazanah Megatrends Forum is rather special. It is with great pride and humility that I welcome you to the **20th** instalment of KMF. **Twenty years** — two decades of shared insights, dialogue, and imagination.
2. What began in 2005 as an internal leadership retreat for our annual planning cycle where we invited external speakers and curated structured discussions covering global trends spanning markets, corporates, and society,

3. it became obvious that insights gained and conversations were too valuable to be kept within our walls.
4. Today, KMF is a community. It is humbling to see KMF as a place where business leaders, policymakers, academics, and thinkers come together to exchange ideas in service of one goal: **nation building**. So let me warmly welcome all of you – whether here in person or joining us virtually. Let me also thank our KMF “veterans” and who have supported us all these years; the KMF of today would not be what it is without you. Thank you.
5. **Past themes** – Over the years, KMF has been a consistent avenue in which participants engaged in necessary discussions on a set of pertinent topics: Paving Paths from the Probable to the Possible (some of us may remember it as the Potato KMF), a Development Bargain for the Next Episode in Malaysia’s journey (you may remember the song Next Episode by Dr Dre and Snoop Dogg as the Forum’s theme music), the Complexities of Development, Artificial Intelligence, our Collective Brain, Efficiency, Growth, Geography, Paradox and more.

WHY THE ANT AND THE GRASSHOPPER

Ladies and gentlemen,

4. **Risk and Uncertainty: Grasshopper and Ant** – This year, we have chosen the theme “*Debugging Uncertainty*”.. *and learning from two bugs, : Lessons from the Grasshopper and the Ant on **Living with Risk***”. Risk and uncertainty today is not

a possibility. It is reality. It is imminent – both in our personal lives, in our professional lives, and in our collective future. And uncertainty conceals opportunities, unless we embrace it with discipline, imagination, and collective will.

5. I should also add that Nick, whose Research team curates KMF, wanted me to tell all of you that this topic was chosen even before the Liberation Day and everything that happened after! Typically we plan our themes a year in advance, so their foresight in choosing a theme so relevant and timely deserves recognition... though I don't know if they could have imagine or guessed all the things we've seen in the past year!
6. So why the Ant and the Grasshopper? It is the old Greek fable. During the warmth of summer, the Grasshopper idles away its days in song while the Ant toils to store grain. When winter arrives and food runs scarce, the unprepared Grasshopper realises it has made a terrible blunder, and with humility turns to the prudent Ant for help. The tale captures a human truth – throughout history, civilisation has been a struggle between **present pleasure and future preparation**; between the Grasshopper and the Ant.
7. History offers a powerful lesson. Five to twelve thousand years ago, after 200,000 years as hunter-gatherers, humans across the globe made the leap to agriculture. Why then? Why not earlier? A recent paper in the Quarterly Journal of Economics, by economic historian Andrea Matranga at the University of Toronto, documented how this rise of agriculture coincided with a spike in climatic volatility, caused by oscillations in the shape of Earth's orbit. This led to increased

seasonality of food supply, with populations responding by storing non perishable wild foods — risk management at its most basic. From this act of managing risk, it was somewhat inevitable that some of these groups would invent agriculture. The invention of agriculture eliminated the regular famines caused by climate seasonality which smoothed out overall food consumption. It is from managing risk and preparing for the future, like the Ant, that civilisations developed.

8. Today we face **winters of our own making** – Pandemics, fragile supply chains, economic shocks, wars, climate change. These risks no longer come one at a time. They arrive like overlapping storm fronts, colliding and amplifying one another, making the path ahead harder to chart.
9. And yet, even in crisis, there is opportunity. The Great Lockdown during Covid showed us cleaner skies. It showed us proof that if we act with resolve, we can reduce carbon emissions and reclaim our environment. Technology too leapt forward, from vaccines to artificial intelligence. Advancements in AI have reached inflection points that are reshaping productivity, innovation, and even changing how we live our daily lives. Like the Grasshopper, we too must celebrate the sun, for joy motivates and sustains us in the hardest of winters. As the Beatles once sang (another bug): “Here comes the sun, and I say, ‘it’s all alright’”.
10. Perhaps Artificial Intelligence is our new harvest. It dazzles like the Grasshopper’s song, bringing immediate productivity. But only with the Ant’s foresight to ensure that these innovations occur in a sustainable manner — through governance, regulatory safeguards and ethics — will it sustain us rather than undo us.

11. In the end, civilisation has always been about balance. Managing uncertainty and risk. Keeping an eye on opportunities that may roll into something bigger. The Ant teaches us foresight. The Grasshopper reminds us of joy. Together, they remind us that progress is not just about surviving the winter — but ensuring that, when the sun returns, we are ready to flourish.

KHAZANAH'S NAVIGATION OF RISK

Ladies and gentlemen,

12. **Risk at the core of investment** – For an investment house like Khazanah, risk is not something external to be avoided. It is at the core of what we do. We can mitigate it, yes. But we also embrace it. We seek risk-adjusted returns across the entire company lifecycle — from start-ups, to growth-stage, to mature companies.
13. **The dual mandate** – But unlike a purely commercial fund, we also carry a dual mandate. We must weigh not only financial returns, but also strategic national outcomes. This makes Khazanah unique. We are government-owned. We invest in the private sector. And we are accountable to the *Rakyat*. We sit at the intersection of public and private sectors, ultimately serving the nation.
14. In practice, this means investing in areas where risk is unavoidable but the long-term benefits to Malaysia are profound — technology ecosystems, infrastructure, sectors that drive resilience and competitiveness. Some of these returns are not measured in financial terms alone, but also on the impact it has in building

capabilities, advancing sustainability, and strengthening national competitiveness.

15. **Examples in practice** – This belief — that responsible risk-taking is essential to nation-building — is what drives initiatives such as Dana Impak, which aims to transform firms to enhance economic competitiveness and resilience, while delivering socio-economic impact. It also underpins Jelawang Capital, through which we crowd in private capital for high-risk, high-return ventures through a Funds-of-Funds approach.
16. So not unlike the Ant and the Grasshopper, we toil to manage risk to ensure sustainability of our returns — while seizing opportunities that help advance our nation.
17. To help guide us to achieve our mandate sustainably, we have renewed our sustainability framework under the banner of “Securing the Future.” It is anchored on three pillars:
 - a) First, a stable and strong economy — through investments at home and abroad.
 - b) Second, liveability for all — putting people at the centre of our sustainability agenda, and
 - c) Third, thriving communities — by building capacity, nurturing ecosystems, and empowering people in a rapidly changing world.
18. These pillars guide how we invest, operate, and engage with stakeholders.

19. We also recognise that climate change cuts across every pillar. Our Climate Change Management Approach is therefore focused on strengthening portfolio resilience, protecting communities from climate-related risks, and advancing meaningful climate action.
20. At Khazanah, risk is not something we avoid. It is something we embrace — responsibly, deliberately, and always with an eye on securing the future for Malaysians.

THE KMF 2025 PROGRAMME

Ladies and gentlemen,

21. **What KMF offers** – Over the next two days, we will hear from a diverse set of voices: distinguished economists, business leaders, innovators, and thinkers from Malaysia and abroad. They will help us unpack this theme of “Debugging Uncertainty” from multiple vantage points – markets, firms, society, and people.
22. We will kick off with our Keynote Address this year is by **Professor David Spiegelhalter**, a renowned statistician and Emeritus Professor of Statistics at the University of Cambridge. His work, *The Art of Uncertainty: How to Navigate Chance, Ignorance, Risk and Luck* is an extraordinary account on how to embrace the imminence of risk and uncertainty within our daily lives through rich personal anecdotes.
23. Beyond special addresses, we have have planned a number of engaging panel discussions and TED-style talk sessions. This includes **Malaysiana** –my

personal favourite, where we celebrate the stories of outstanding Malaysians pushing the global frontiers of knowledge, creativity, and conservation. We will also have a special session lined up on portfolio – notably on sustainable investment models — designed, like the Ants, to adapt to dynamic markets.

24. I want to, again, thank all the speakers for gracing us with your time and insights and for being with us here in Kuala Lumpur. I'm confident that our audience has much to learn from all of you.
25. But KMF is not just about ideas. It is about community. That is why we have curated experiences for you. As part of our initiative in supporting local entrepreneurs, we have engaged a range of local vendors offering a cup of freshly brewed coffee to ice cream flavors specially curated for this event. Furthermore, you may also redeem a book authored by one of our speakers. These small touches remind us that KMF is as much about building connections as it is about sharing insights.
26. Keeping in line with our sustainability goals, you will find recycling bins and lanyard collection boxes, which I strongly encourage you to use. In partnering "What a Waste", a social enterprise, we are reducing food waste together. These may be small steps, but together they send an important signal — that every effort counts. Like an ant colony, the success of this event lies in playing our collective duties.
27. **Monday Night Special Event:** And of course, the Monday Night Special Event will once again be a highlight – a celebration of Malaysian arts, culture, and heritage, offering a welcome counterbalance to the economics and business of

the day. In the past few years, we've had a dance performance, a comedy show, a visual arts show; tonight, I'd like to invite all of you to come join us for Monday Night Illusions, a magic show which am sure will be very exciting.

28. **My hope** – My hope is that this year's Forum reframes how we think about risk – not merely as something to fear, but as something to understand, navigate, and embrace. By acknowledging it, measuring it, and acting on it with discipline and imagination, we can move beyond fear. And we cultivate the will to embrace risk — with wisdom and with courage.

TO CONCLUDE

29. I wish all of you a stimulating, engaging, and fruitful 20th Khazanah Megatrends Forum. May our discussions sharpen our understanding, expand our imagination, and strengthen our collective resolve to advance Malaysia.

Assalamualaikum Warahmatullahi Wabarakatuh.

Thank you.