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# Malaysia and China sign naval defence deal

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## Agreement a landmark decision, says Prime Minister

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**BEIJING:** The Malaysian government made a “landmark” decision to enter into a two-year defence deal with China to buy and build four littoral mission ships.

Prime Minister Datuk Seri Najib Tun Razak said the contract value has yet to be finalised based on specifications, but this agreement on cooperation could be extended.

“I call this a landmark decision because before this, we have not bought such vessels from China,” he told a press conference after holding bilateral talks with Chinese Premier Li Keqiang.

The deal was one of 14 memorandums of understanding (MoUs) signed at the Great Hall of The People here after the two leaders successfully held “friendly and fruitful” bilateral talks yesterday.

Najib, who is on a four-day official visit in China from Nov 1 to 4, is accompanied by nine ministers, three chief ministers and 30 senior

government officers.

Najib said China agreed to grant soft loans to Malaysia for the construction of the East Coast Rail Line, estimated to cost RM55bil.

Details will be worked out.

Describing Malaysia-China relations as hitting another “new high” after the talks, Najib told Malaysian journalists that he was also very happy to witness the signing of 14 business-to-business MoUs yesterday after his luncheon talk.

“The total value of the MOUs is worth RM144bil.

“This is the biggest amount of MoUs I have witnessed so far. This is really an achievement,” he said.

He also said during the bilateral talks, China had agreed to Malaysia’s requests to increase its import of Malaysian palm oil, to allow the import of clean Malaysian bird’s nests and more direct flights for AirAsia and Malaysia Airlines.

He was also happy that all phases of Xiamen University Malaysia will be fully developed in the first quarter of next year to accommodate an

intake of 5,000 students.

“In general, the proposals I presented at our meeting today were met with a positive response.

“They truly treat us like a trusted friend of China,” said the visibly happy but tired-looking Prime Minister.

In return, Najib informed Li that he has agreed to grant a banking licence for China Construction Bank to open a branch in Malaysia and that the construction of a railway line in the south of Peninsular Malaysia would be awarded to Chinese companies.

He said from the perspective of economic reality and for national interests, Malaysia was working closely with China on economic cooperation.

He added that the comprehensive strategic partnership Malaysia and China had agreed to in 2013 “has now been translated into meaningful actions across multi-faceted and multi-sectoral developments that are encouraging and positive”.