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RM144 billion in deals with China

> Navy to also purchase four ships in landmark defence transaction

BEIJING: Prime Minister Datuk Seri Najib Razak's third official visit to China is not only historical from a business perspective, it also resulted in a landmark decision on defence.

Najib said in terms of trade agreements, Malaysian and Chinese companies made historic achievements, with the signing of 14 agreements worth RM144 billion.

At a press conference with Malaysian media here yesterday, he said the Malaysian government also made a landmark decision to buy four Littoral Mission Ships from China, with two to be built in China and the other two in Malaysia.

Najib, who is also finance minister, said more of the ships would be purchased if the Royal Malaysian Navy (RMN) is satisfied with the vessels, that are expected to be completed in two years.

Defence Minister Datuk Seri Hishammuddin Hussein said this was the first time Malaysia purchased military equipment

from China and the decision was based on recommendations by RMN due to the cheaper price while fulfilling its criteria.

He said any excess from RMN's allocation on vessel repair would be used in the purchase of the ships to replace the existing Admiral-class Corvettes.

Meanwhile, Najib said in his meeting with his Chinese counterpart Li Keqiang, the discussion did not only concern giant corporations but also highlighted issues pertaining to small farmers and the swiftlet industry.

He also proposed to Li that the Chinese government increase the purchase of palm oil, considering 500,000 smallholders in the country depended on its demand.

Najib said Li had given a positive response and would take the necessary action.

On the issue of raw and unprocessed bird's nest exports to China, Najib said the government proposed to China that the facility to export such commodity be settled as soon as possible as it involved 10,000 swiftlet farmers in Malaysia, which is the world's second largest producer of bird's nests.

The bird's nest market in China stands at US\$1.8 billion

(RM7.52 billion) per year.

Najib said he also informed Li that the Xiamen University Malaysia Campus in Sepang, Selangor - the first leading university from China to set up an overseas campus - would receive its first batch of 5,000 students in the first quarter of next year.

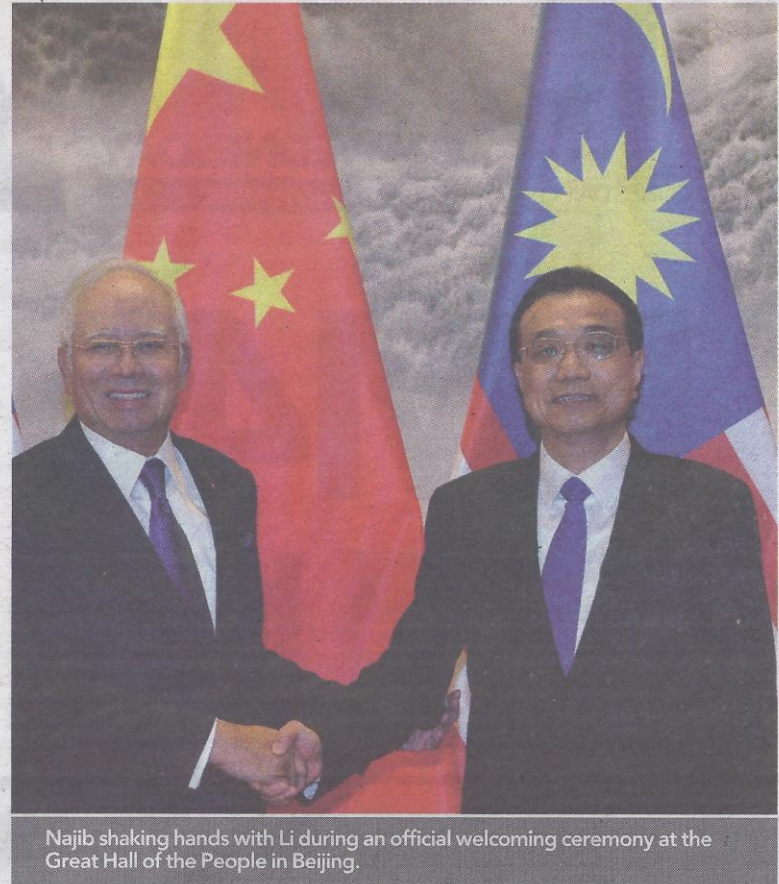
He said Malaysia's total trade with China had increased by 2% from January-June compared with the same period last year.

Among the flagship projects that China is participating are the integrated underground city "Bandar Malaysia", which is being jointly developed by China Railway Group Limited with Iskandar Waterfront Holdings. Another such project is the Malacca Gateway, a mega development developed by Powerchina International Group with KAJ Development.

Najib said with such strong business ties and greater air connectivity, the trade and business relations between both nations were set to flourish.

"With Malaysia Airlines and AirAsia now providing services to many Chinese cities, and with a charter flight service from Guangdong to Malacca starting last month, creation of new ties will be encouraged," he added.

- Bernama



Najib shaking hands with Li during an official welcoming ceremony at the Great Hall of the People in Beijing.

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