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PM: Nothing unusual in China's rising investment

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CHINA'S rising influence as a major investor in Malaysia is not unusual, Prime Minister Datuk Seri Mohd Najib Razak said, as the former continues to grow to be the largest economy in the world by 2050.

Najib said Malaysia's economy is not directly dependent on China, but the vast growth of the Chinese economy indirectly positively impacts the local economy in times of gloomy global conditions.

"China will be the largest economy by 2050 or even earlier, thus the reality cannot be rejected by any countries.

"If we need a market for our exports including commodities particularly palm oil, investment and tourism...the source has to be from China," he told the Dewan Rakyat yes-

terday. "It's not a question of Malaysia being too dependent on China but the underlying fact is that China keeps expanding as the largest economy in the world."

The premier was responding to a query from Rompin MP Datuk Hasan Arifin, who wanted to know if Malaysia is becoming very dependent on China amid the rising influence via investments.

Meanwhile, Najib said China's position as a major investor in the country will not deter Malaysia's firm stand on the unresolved multiple territorial disputes in South China Sea.

He said the territorial claims by multiple countries, including South-East Asian countries and China, would be dealt in a non-confrontational manner.

However, there would be no compromise on the country's sovereignty and principles amid China's rising influence in Malaysia as the largest foreign investor in the country.

"As a sovereign country, we believe that all differences and disputes have to be handled via dialogues and peaceful negotiations.

"Although we have strong economic relations with China, we still have a strong stand on the South China Sea issues...we are just (using) the non-confrontational mechanism."

China claims most of the sea under its historical "nine-dash line" claim, which is not recognised by international authorities. Among other countries which claim ownership of parts of the South China Sea

include the Philippines, Vietnam, Malaysia and Singapore.

The South China Sea is a critical asset for global shipping and fishing as it sees over US\$5 trillion (RM21.07 trillion) in maritime trade every year.

Najib said to reduce tension between China and other countries, all parties should adhere to the Declaration on the Conduct of Parties in the South China Sea (DOC) in its entirety, as well as accelerate consultation on a Code of Conduct (COC).

"Only through the DOC (can) all these countries build better trust and respect for each other on the issues in South China Sea," he added.

Malaysia had previously expressed its intention to apply diplomatic pressure to

caution China on its maritime activities at the man-made Fiery Cross Island in South China Sea.

The flight testings and landings conducted by China on the island were said to create a non-conducive situation and has the potential to increase the tension in the much-disputed South China Sea.

A 3km runway was completed on Fiery Cross Reef, with three civilian test flights successfully landing by January. Airstrips are nearing completion at both Subi and Mischief Reefs.

China's actions could worsen the current territorial dispute between Vietnam, China and the Philippines. The Fiery Cross Island is outside of Malaysia's maritime border.