

Newspaper	Malaysian Reserve
Date	09/08/2017

Malaysia welcomes Chinese FDIs

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It makes no economic sense for Malaysia to turn away Chinese FDIs. We are an open, friendly and business-conducive country, says PM

by NG MIN SHEN

MALAYSIA can't turn away from the huge investment potential offered by China as the world's second-largest economy, said Prime Minister (PM) Datuk Seri Mohd Najib Razak.

The PM said as an open economy, Malaysia welcomes foreign direct investments (FDIs) from around the world, whether from China, Japan, India, Saudi Arabia, Europe or the Americas.

"It makes no economic sense for Malaysia to turn away Chinese FDIs. We are an open, friendly and business-conducive country, which is why between 2010 and 2016, FDI flows into Malaysia expanded by an average of RM36 billion per annum.

"This is a strong testament to the confidence foreign countries have in us, and it is a record we should be proud of," he said in his keynote



Najib says China has gained prominence as a major foreign investor in Malaysia across sectors including manufacturing, services, ports, railways and energy

address at the National Chamber of Commerce and Industry of Malaysia's Economic Forum 2017 in Kuala Lumpur yesterday.

Najib said China has gained prominence as a major foreign investor in Malaysia across sectors including manufacturing, services, ports, railways, real estate, construction, education and energy.

Nine business agreements were signed between Malaysian and Chinese companies in May this year, with proposed investments estimated at RM31.3 billion.

A total of 14 memoranda of understanding worth RM143.6 billion relating to defence, agriculture, education, finance and construction sectors were also signed in November 2016.

Najib, who is also the finance minister, said Malaysia's future success requires not only sound economic policy but also integration of new technologies allowing innovation and entrepreneurship to thrive.

He said innovation and technology integration will be driven largely by e-commerce, and small and medium enter-

prise (SME) sectors.

"E-commerce grew 12.8% per annum between 2012 and 2015 to RM68 billion, comprising 5.9% of national gross domestic product. We are aiming for e-commerce to grow 20.8% per annum to RM170 billion by 2020," he said.

Najib said there are 50,000 SMEs registered on the Digital Free Trade Zone (DFTZ). SME Corp Malaysia targets 1,500 new SMEs to join the DFTZ this year and 8,000 next year.

Speaking at the same forum yesterday, a Distinguished Fellow of Asia Global Institute, University of Hong Kong, Tan Sri Andrew Sheng said Malaysia should leverage on its strengths of diversity and adaptability to compete with technology giants in the changing business landscape.

"Malaysians have a very diverse multicultural background, so we are culturally sensitive. We have very good soft skills and we are very adaptable when working with others," he said.

He added that Malaysians also have access to the Muslim, Chinese and Indian markets, thus the focus should be on these niche areas where giants such as Alibaba Group Holding Ltd, Apple Inc and Google do not have comparative advantages.