

Obama Visit Further Entrenched Malaysia as Significant Participant in Global Economy

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KUALA LUMPUR, May 3 (Bernama) -- The United States President Barack Obama's historic visit to Kuala Lumpur has not only given a shot in the arm for two-way ties, but further entrenched Malaysia as a significant participant in the global economy.

It was clear that while pursuing to solidify security and diplomatic ties, Washington was also keen on taking economic ties to a higher level as joint activities would generate much-needed jobs back in the US as well as here.

This was evident with KL and Washington formalising several significant trade deals in aviation, biotechnology and insurance and reaffirming their clarion call for greater entrepreneurship especially among their youth.

A significant point in economic ties was that Obama's visit also paved the way for an American insurer to take up equity for the first time in a takaful company in Malaysia.

Obama's visit -- the first by a sitting American president since Lyndon B. Johnson made his trip in 1966, was crucial as it would alleviate Malaysia and US trade and investment which have always pillars of their long-standing relations.

Between 2003 to 2013, Americans have invested over US\$13 billion in Malaysia.

Over the past decade too, exports to the US totalled US\$247.5 billion while imports amounted to US\$173.3 billion.

Malaysia, the third stop in Obama's four-country tour, is now a far cry from 48 years ago when Johnson came to the country.

Since then, Malaysia had undergone a major economic transformation.

Today, US the biggest foreign direct investor in Malaysia, while Malaysia is now the fastest growing investor in America.

This was further enhanced with AirAsia X's recent purchase of US\$1.5 billion worth of GE engines, which in the President's words himself, would support 3,695 jobs in the US.

The deal would support 25,000 GE engine jobs in Cincinnati, Ohio, Durham, North Carolina and Rutland as well as jobs in GE's 150 suppliers in 34 states.

Sime Darby investment in San Diego-based Verdezyne, a US start-up biotechnology company would fund US-based research and development, creating 300 jobs.

Obama, in comments prior to witnessing the commercial signing of both deals, highlighted that the close trade and investment linkages between Malaysia and US created more jobs and economic opportunities for both nations.

Such ties are vital against a backdrop of any slowdown in the global economy.

Obama also witnessed the signing of a partnership between Ambank and American insurer Metlife.

The latter had invested nearly US\$250 million to buy shares in AmLife and AmTakaful, representing the first US investment in the Malaysian takaful market.

Elsewhere, Genting Group's US\$3 billion investment into the hotel and tourism sector in the US, Malaysia Life Science Capital Fund which includes several US biotech companies in its portfolio and Khazanah, which recently opened an office in San Francisco targeting high-tech investments, clearly set the stage for deeper commercial linkages.

During the President's visit, both governments also agreed for a new comprehensive partnership that would expand economic ties to a more comprehensive level.

There is no denying that upgraded bilateral relations arising from Obama's inaugural visit would boost foreign investment inflows into Malaysia

Moving forward, Malaysia and US can look ahead for more growth and shared prosperity.

Obama also said while overall bilateral trade remains stable, the US wants to boost merchandise trade above last year's level of US\$40 billion.

Initial worries pertaining to the discussions on the Trans-Pacific Partnership Agreement (TPPA) prior to Obama visit also subsided with both parties stressing that Malaysia is not under pressure to sign the pact.

Obama denied that Washington was bullying Malaysia in the negotiation, saying that it was understandable that there would be objections, not only for the US and Malaysia, but for all the negotiating countries.

Malaysia maintains its stance that a great deal of flexibility is needed to enable Malaysia to come on board in sensitive chapters within the TPPA, in areas such as government procurement, state-owned enterprises, investor-state dispute settlements and intellectual property rights.

Obama's visit also highlighted his commitment and that of Prime Minister Datuk Seri Najib Tun Razak to shore up entrepreneurial skills in young people, a vital feature to any growing economy.

Arriving in the legendary "The Beast" - the official US presidential state car, from Sri Perdana to officiate the Malaysian Global Innovation and Creativity Centre (MAGIC) in Cyberjaya, Obama and Najib cemented their trust and hope in young entrepreneurs.

As the visit by Obama was a follow up to the 4th Global Entrepreneurship Summit which Malaysia hosted last year, the presence of both leaders at the launch reinforced Malaysia and US shared aim to promote entrepreneurial growth and opportunities.

After spending almost three days in Malaysia, not only has Obama's visit set the stage for improved diplomatic and security ties, it has signalled that Malaysia is becoming an integral part of the global economy.

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