

**Oleh : DATO' SRI MOHD NAJIB TUN ABD RAZAK**  
**Tempat: PALACE OF THE GOLDEN HORSES, KUALA LUMPUR**  
**Tarikh: 01-09-2004**  
**Tajuk : 25TH MAJECA - JAMECA JOINT CONFERENCE DINNER**

I am very honoured to have been given this opportunity to address you on the occasion of the 25th Annual Joint Conference of MAJECA and JAMECA. I have been informed that you have had a long but productive meeting and that your deliberations have been meaningful. Tan Sri Azman indicated to me that this dinner is, in a way, a reward for all your hard work and efforts. Knowing Tan Sri Azman, I believe many of you will also be working hard on the golf course while you are here in Malaysia.

MAJECA, the organisers for this year's meeting, have timed this Joint Conference to coincide with our 47th National Day celebrations. I do hope those of you from Japan will have the opportunity to enjoy the rich variety of traditional and cultural events that are being organised as part of these month long celebrations.

Malaysians celebrate on the 31st August not only to remember the historical moment of our peaceful independence from British colonial rule. Our National Day has also become a symbol for the national unity, religious harmony and racial integration that Malaysians have worked hard to sustain and continue to enjoy. Together with strong political leadership, this spirit of a united Bangsa Malaysia or Malaysian People has made it possible for us to achieve tremendous social and economic progress since our independence.

The MAJECA-JAMECA partnership is a shining example of what can be achieved when there is sustained collaboration between the private sectors of two countries. Over the last 27 years, both associations, together with other affiliated institutions and bodies, have played a useful and pivotal role in transforming Malaysia's economy, particularly in our industrial sector.

The numbers have been most encouraging. Between 1999 up to June 2004, a total of 664 manufacturing projects valued at RM9.6 billion were approved from Japan. These investments are focused in the manufacture of electrical and electronic products, non-metallic minerals production, transportation

equipment, chemicals and petroleum products. An estimated 52,000 jobs have been created through these investments.

Japan has been among the largest investors in Malaysia, and through the millions of "Made in Malaysia" products exported from our shores, Japanese companies have helped to establish this country's reputation as a global manufacturing and assembly hub. Trade between Malaysia and Japan has also grown at a very healthy 8.2% over the last 10 years, surpassing the US\$25 billion mark last year. This steady growth of Malaysia's bilateral trade with Japan is partly attributed to the strong presence of Japanese manufacturers and trading houses in Malaysia and has been supported by strong economic recovery in both countries.

There is an observation that the more regular or repeat customers you have, the more successful your business must be. It is the same with foreign investors. A growing number of Japanese companies operating in Malaysia are now embarking on expansion and diversification projects. Out of the 664 approved projects from Japan in the last 5 years, 512 projects or 77% were for expansion or diversification. I would like to suggest that this is a solid vote of confidence by Japanese companies on the long-term business and political environment in Malaysia.

Malaysia - Japan relations go beyond the deep linkages established between our two private sectors. Our government-to-government relations have been equally strong at the highest levels. On the Malaysian side of this relationship, we are indebted to the leadership of Tun Dr. Mahathir Mohamad, our former Prime Minister, for having the vision and courage to "look east" and forge closer economic, social and political ties with North Asia, most notably with Japan. In many ways, Dr. Mahathir has been instrumental in fostering deeper understanding between the peoples of our two countries. As a result, a sense of common purpose and mutual trust has evolved out of this balanced and complementary relationship, which has in turn helped businessmen and industrialists.

I know that Prime Minister Dato' Seri Abdullah Ahmad Badawi is deeply committed to building on these strong foundations and exploring ways to further enhance our bilateral relations. As many of you may have observed, Malaysian Prime Ministers are frequent visitors to Japan, and Prime Minister Abdullah has already made two visits to Japan

since becoming Prime Minister in November last year. This is a clear indication of the priority and importance the Malaysian Government holds of our relations with Japan.

It is perhaps timely for MAJECA-JAMECA to take stock of their achievements and lessons learned. You have achieved much through honest and sustained collaborative efforts. However, as you celebrate your past achievements, you should also think hard and plan for your future goals. The rapport and trust that has been cultivated between members of MAJECA-JAMECA are vital ingredients to ensure the commitment of members to your collective aspirations.

As you begin to chart your aspirations for the future, it is important to remember that we operate today in a much more turbulent and uncertain world than ever before. There are many global developments that are causing tensions, terror and even war among societies and nations. Where such seeds of discord and discontent have grown, we have seen loss of lives and a failure to achieve meaningful economic development and social progress.

Fortunately for Malaysia and Japan, we remain relatively free from such tragedies. However, as major trading nations with economic interests around the world, we are not immune to instability that impact our partners both near and far. We have to therefore take all necessary steps to ensure that we preserve and maintain political stability, military security and economic growth in the region.

In terms of military security, Malaysia remains vigilant and committed to the threat of extremism and insurgency, both within our own borders and within ASEAN. Domestically, the Government's message of progressive, modern and moderate Islam has been well accepted by Muslims and non-Muslims as a basis for peace and harmony. The Barisan Nasional's overwhelming victory in the country's 11th General Election, and our success in the recent by-election, is proof that radicalism and extremism can be defeated through elections without violence and bloodshed, and that our vision of Islam Hadhari or Civilisational Islam is well accepted by all Malaysians.

Regionally, Malaysia is playing an active role in assisting our neighbours to better fight the campaign against terror. In southern Thailand, via the Thai authorities, we are providing assistance in terms of skills training and

Islamic education to Muslims there. In the southern Philippines, we are working with the Government to deploy military observers to monitor a ceasefire in hostilities that is currently being negotiated with rebel groups.

There has also been a growing concern over the safety of the Straits of Malacca, a vital waterway where more than a quarter of world trade and half of the world's crude passes through every year. For Japan, 80% of your crude oil imports passes through the Malacca Straits. While this is a global concern for all, I am confident that the three littoral states of Malaysia, Singapore and Indonesia are adequately equipped to police and enforce security along the Straits and deal with any potential threat. We have been holding regular coordinate patrols among the navies of the three countries. We are upgrading our capabilities and assets. We are also discussing various other measures that will serve as credible deterrents to criminal and terrorist elements in the region. As trading nations, we recognise that the security of ASEAN's trade lanes - whether air, sea or road - is vital for us to maintain the high levels of growth and development that we have achieved.

Let me now conclude by touching briefly on the future of Malaysia-Japan relations. In our efforts to enhance bilateral ties, Malaysia is committed to work towards finalising the Closer Economic Partnership agreement with Japan, which will serve to intensify and broaden economic linkages. These arrangements will facilitate greater trade flows and provide the foundation for renewed collaboration between Japanese and Malaysian companies operating in each other's markets, around the region and globally.

Frontier technologies in the ICT and biotechnology sectors are among the priority areas that our Government would like to see greater collaborative efforts between the private sectors of our two countries. These collaborative strategies should evolve to cater to the new market dynamics and for this the Malaysian Government is prepared to give its fullest support. I am happy to note that you have given your attention in this Conference to these two priority areas. I hope your exchange of ideas and information will pave the way for collaboration in the development of industries associated with these sectors.

Finally, let me take this opportunity to congratulate MAJECA and JAMECA for your continuing efforts to promote greater understanding and economic relations between Malaysia and Japan. With your track record over the last 27 years, you are in a unique position to play an important role in the era where the Closer Economic Partnership framework becomes a modality for the future. I hope you will continue with the good work that you have started, and rise once again to the challenges and opportunities before us, as we enter this new phase of partnership between Malaysia and Japan.

Thank you.

Office the Deputy Prime Minister