

By : DATO' SRI MOHD NAJIB TUN ABD RAZAK
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ADDRESS BY
THE HON. DATO' SRI MOHD NAJIB BIN TUN HJ ABD RAZAK
DEPUTY PRIME MINISTER OF MALAYSIA
AT THE PARIS BUSINESS LUNCHEON
9TH JUNE 2005
1.00 P.M.

H.E Dato' Hamidah Yusof
Malaysia's Ambassador to France

Mr. Jean Courtiére
Vice President
Paris Chamber of Commerce And Industry (CCIP)

Distinguished guests

Ladies and gentlemen.

Allow me, first and foremost to express my gratitude to Mr. Jean Courtiére and the Paris Chamber of Commerce and Industry (CCIP) for inviting me here and giving me the opportunity to say a few words to this distinguished audience. Indeed I am delighted to be amongst you today to share my thoughts and exchange views with all of you, members of the cream of French Business Community. I am particularly happy to be here in Paris - a delightful city which I believe must be one of the most beautiful places in the world. If I can paraphrase a famous saying, "if one is tired of Paris then one must be tired of life". I particularly, like what Ernest Hemingway said about Paris. I quote, "If you are lucky enough to have lived in Paris as a young man, then wherever you go for the rest of your life it stays with you, for Paris is a moveable feast".

When I look at ties between Malaysia and France, I can see enormous potential for our two societies, our two economies and our two nations to exploit for the common benefit. While France is a great industrial country, with a rich history of innovation and creativity, Malaysia, on the other hand is an advanced developing state, searching for its rightful place in an already highly competitive and crowded globe. It is my firm belief that we can work together, stronger than we have now, we can indeed ensure that both our two countries could reap the benefits of a synergistic relationship.

Ladies and Gentlemen,

While not many French people know of Malaysia, although I believe that is changing, French presence in our country could be traced back a long while, with French

missionaries and traders visiting the peninsular. In the field of business, I believe Socfin was established in the early 1900s, involved in the then emerging palm oil industry. Indeed from such a small beginning, we could trace how our ties have grown from strength to strength.

Over the years, Malaysia and France have become close friends, not only predicated on economic and commercial ties, but also often sharing a common world view. We appreciate the independent position of France in many international issues. Your cautionary note to the world, pleading for peace to be given a chance, which brilliantly expressed by your then Foreign Minister, and currently, your Prime Minister, at the United Nations was a moment when the world watched France, representing the majority of the globe's population. However, in an increasing unilateral and unipolar world, the democratic voice often gets silenced by the powerful. France continues to be a shining beacon of justice and fortitude in the global arena, consistently speaking out for greater fairness in issues of global concern.

Being a member of the Permanent Five of the UN Security Council, the economic powerhouse of G7 and G8 as well as a leading member of the European community places France as one of the world's leaders. Undoubtedly, we view France as one of our closest partners in a complex international arena.

Leaders of both our nations have shown great appreciation for this long standing relationship as is evident from the continuous exchange of visits by them over the years. As many of you would know, Malaysia's former Prime Minister, Dr Mahathir Mohamad shared a close personal friendship with President Chirac, and the two regularly met and exchanged ideas and views not only on the ties that bind Malaysia and France but also on global developments. Today, our Prime Minister Abdullah Ahmad Badawi continues this fine tradition of camaraderie with the French leadership, meeting President Chirac in July of last year and again in January of this year.

Clearly, these warm relations among the leadership of both countries form a strong foundation for greater cooperation and partnership across all fields and sectors. While critics could argue that language and Malaysia's colonial experience weigh against the flourishing of relations with France, much to the surprise of many, the contrary appears to be the case. Language has proven to be less of a problem, thanks to globalisation, where countries like Malaysia are seeking newer markets, necessitating us to pursue other global languages. So to the critics and cynics, I would just say that Malaysia has proven that with a strong will to learn, we can achieve our goals by going global.

From commercial, education, cultural to defence, France and Malaysia have expanded ties further. In the area of defence, Malaysia maintains a spectrum of cooperation with France, in no small part due to your willingness to share with us much of your technical and technological expertise. Ranging from arms acquisition to the exchange of visits and of training, we are keenly looking into newer and wider range of areas where defence technical cooperation can be established, including the possibility of bilateral exercises and mutual formal defence training courses.

Malaysia also has existing ties with France in the field of education. For many years now we have sent Malaysian students to study in various prestigious French institutions. As Malaysia continues with our emphasis on human capital development,

we hope to further strengthen cooperation in this area with France, whom we view as one of the world's leading centers of excellence. In the not-too-distant future, we look forward to the realization of the Malaysia-France University which was first conceptualized by the leaders of both countries in 2003.

Ladies and gentlemen,

On the economic front, there exists a healthy and robust economic partnership between Malaysia and France, with trade between the two countries continuing on a steady upward trajectory over the past few years. Last year alone, bilateral trade expanded by 12.2 per cent to US\$3.3 Billion. Malaysia's exports to France stood at US\$1.9 Billion, an increase of 6.1%, whereas Malaysia's imports from France surged by 21% to a total of US\$1.5 Billion.

Malaysia is home to around 170 French companies and these companies have invested in a wide range of sectors including chemical and chemical products, machinery manufacturing, electronics, electrical goods, food production and textile products. Names like Danone, Alcatel, Carrefour, Peugeot, Citroen, Christian Dior and Louis Vuitton among others are as familiar to Malaysians as are croissants and caviar. We are pleased that these corporations have found Malaysia to be an ideal location for their operations in the Southeast Asian region. Obviously, we believe that there are new areas that French companies could invest and work together with us.

Our Prime Minister is most keen in the field of biotechnology and in this regard the avenue for partnership is obvious as France has the technical expertise whereas Malaysia is blessed with what can be called "mega-biodiversity". We would like to invite French scientists and investors to participate in the development of Malaysia's bio-technology sector, in particular our "Bio-Valley" project, which is a dedicated zone for biotech industries located within the Multimedia Super Corridor. Malaysia's determination and seriousness to participate and excel in this exciting field is evident from the move by the government to establish the National Biotechnology Policy. A host of possibilities now emerge before us in developing this sector such as biotechnology in food and agriculture, pharmaceuticals, bio-diagnostics and bio-active compounds for healthcare. I would like to encourage French companies to take advantage of these developments and join us on this journey to develop our biotech sector.

Another area that Malaysia is particularly concerned with is tourism. For some reason French tourists are still not yet familiar with Malaysia so as to make it their primary destination. As a matter of fact we rank a mere 5th place behind other countries in Southeast Asia with only 30,595 tourists arriving from France as at November of last year. We believe that this is only due to a lack of awareness and information on the various unique qualities that Malaysia has to offer as a holiday destination. We are steadfast in our attempts to develop Malaysia as a tourist destination, with a broad appeal to cater for a wide range of interests, from shopping to eco-tourism. So I would like to appoint each and everyone of you, who have visited Malaysia as our goodwill ambassadors and help us to promote tourism in our country.

All in all, there is a whole range of possibilities that French businesses could look into in terms of investment in Malaysia. In addition to the specific sectors that I mentioned earlier, potential investors should know that Malaysia is moving towards becoming a regional hub for a number of different industries. For one thing we are

working towards becoming the regional Halal food hub and are earnestly working to ensure the quality and integrity of all Halal foods that originate from or pass through Malaysia. Elsewhere, in the lucrative field of Islamic banking and finance too Malaysia is seen as one of the worlds most advanced players and foremost authorities.

In a regional context, given Malaysia's position and current economic standing, as well as taking into consideration the government's incentives for foreign companies operating in Malaysia, one might argue that it only makes good business sense to use Malaysia as a gateway into ASEAN, a market of 530 million people with a combined GDP of US\$750 Billion. With a high competitiveness rating and with costs of doing business relatively low compared to some of our neighbours, French businesses would do well to consider Malaysia as their main point of entry into the region.

Ladies and gentlemen,

I am aware that I may sound like a salesman, but be that as it may, I just could miss this opportunity to relate to you a picture of the myriad of things that French businesses could get into in Malaysia. We are pleased that the Malaysian Trade Seminar held here in Paris in October of last year has generated a lot of interest and we are hopeful that many of those interested parties would take the next step and venture into Malaysia. On the part of the Malaysian government, I can assure you that all our agencies are ever ready to facilitate you in ensuring that the setting up of your operations in Malaysia will be as smooth as possible. However, I am also aware that there are challenges and I would also like to reassure that if there are any short-comings, please do not hesitate to inform us. We need your help and assistance in order for us to go through this learning curve.

Ladies and gentlemen,

It is crystal clear, that it is imperative for Malaysia and France to work together hand in hand. We have come a long way from whence we first became friends and partners. Today Malaysia and France are more akin to siblings, separated by distance, yet united in spirit, conviction, and the sincerity to bring forth a more just and equitable world. We cannot falter in our efforts and we must be able to lean on each other as we march on ahead to achieve what we have set out to do.

Before I conclude my remarks, permit me, on behalf of my government, to welcome all of you, and to those who are already in Malaysia, to encourage you further. We are ready to provide you with any assistance you may require. I take this opportunity to wish the French business community well in your endeavours, with the fervent hope that you include Malaysia as one of your business destinations.

Thank you.