

**By : DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK  
PERDANA MENTERI MALAYSIA**

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China**

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**Title : MALAYSIA HIGH LEVEL ECONOMIC FORUM**

Bismillahirrahmanirrahim.

Assalamualaikum Warahmatullahi Wabarakatuh and Good Morning.

**His Excellency Wang Yang;**

Vice Premier of the State Council of the People's Republic of China,

Representatives of the Governments,

Distinguished Guests,

Ladies and gentlemen,

1. My visit here comes at a historic moment. Forty years ago today, in this very room, Malaysia and China established diplomatic relations.
2. Our countries are connected by history. We share strong people-to-people ties, and economic connections which have stood the test of time.
3. In 2009, when the global financial crisis struck, Malaysia's trade with China continued relatively unscathed. In 2010, bilateral trade surged, and continued to grow despite the unfolding crisis. China went on to

become Malaysia's largest trading partner, a position it has retained to this day.

4. Last year, our bilateral trade was 106 billion dollars. Foreign direct investment from China reached 920 million dollars, compared with 646 million dollars for 2012. China is Malaysia's largest trading partner, and Malaysia is China's largest in ASEAN. We have moved from trading raw commodities to high value manufactured goods. Our economic relationship is going from strength to strength; but we can do much more.

5. In October 2013, Malaysia and China signed a Five Year Programme for Economic and Trade Cooperation. It is a broad agreement that provides for bilateral cooperation in agriculture, energy and mineral resources; information and telecommunications; manufacturing, infrastructure, and engineering; and tourism, logistics and retailing.

6. The Plan forms the basis of our economic cooperation for the next five years, and provides a firm foundation for bilateral economic relations for decades to come.

7. The Five Year Programme reflects a commitment between our two Governments to enhance our trade and investment environment, emphasizing business and investment opportunities, including in the area of sustainable development. It was drawn up in close collaboration with the private sector, with Government ready to support implementation and tracking.

8. The activities outlined in the Five Year Programme draw on the economic reforms and liberalisation programmes undertaken by both countries. In China's case, urbanisation and the move towards a consumption-based economy opens up a host of opportunities in sectors

such as renewable energy, healthcare, financial services, retail, human capital development, and sustainable development.

9. Similarly, Malaysia's Economic Transformation Programme unleashes opportunities in a host of sectors across our economy, from energy and healthcare to finance and business services. As we look to manage our respective national development, we should seek to capitalise on synergies wherever they emerge.

10. I would also like to take this opportunity to encourage more Chinese investors to set up operations in Malaysia, and to pursue your regional expansion from our shores. Yesterday, I had a meeting with Premier Li Keqiang and we both agreed to encourage more Chinese businesses to invest in Malaysia to address the imbalance in investments. Presently, the Malaysia-China investment ratio is 6 to 1. Malaysia presents a highly attractive business environment: ranked 6th in the World Bank's 'Ease of Doing Business' report, and 12th in the recent World Competitiveness Yearbook.

11. We have established a number of joint endeavours to promote Malaysian-Chinese business co-operation. As an example, in recent years we have established both the Qinzhou (Chingchou) Industrial Park, and the Malaysia-China Kuantan Industrial Park. These groundbreaking twin parks make it easier for our businesses to collaborate, and open up new opportunities for our investors and entrepreneurs.

12. The Chinese Central Government has approved a 2.4 billion renminbi development fund for the Qinzhou Industrial Park, over and above the 1 billion renminbi already pledged by the Government of Guangxi. On our side, the Malaysian Federal and State Government has allocated 700 million ringgit to the Malaysia-China Kuantan Industrial Park.

13. We also have a strong track record of financial co-operation. Malaysia is the first country outside China to use renminbi for trade settlement; our central bank is the first in ASEAN to hold renminbi reserves, and 2.3% of world trade settled in renminbi is settled in Malaysia. Yet too few entrepreneurs are aware of the existence of such a facility. We should do more to deepen and promote this particular monetary co-operation, which can be so beneficial for both our countries.

14. More broadly, Malaysia and China are partners in taking the ASEAN-China FTA to the next level. We are working together to deliver the Regional Comprehensive Economic Partnership in 2015. And Malaysia will be looking forward to continuous partnership with China as we take over the reins of ASEAN in 2015.

15. We know that China will continue to work with us to create an open, facilitative, competitive and inclusive Asia. Likewise, Malaysia stands ready to work closely with China, as it chairs APEC this year. And at the multilateral level, we look forward to collaborating as we implement elements of the Bali Package of the WTO – in particular, the Trade Facilitation Agreement.

16. As we celebrate forty years of diplomatic relations, I am confident that we will build on our strong economic connections, and usher in a new era of shared prosperity.

Thank you.