

**SPEECH BY
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IN HONOUR OF HE LI LANQING VICE PREMIER OF THE PEOPLE'S
REPUBLIC OF CHINA
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First of all allow me to extend a warm welcome to Your Excellency and members of your delegation. We are indeed honoured and privileged that Your Excellency has chosen Malaysia as the first destination in your official visit to this region. It is certainly a reflection of the close and cordial relations that exist between our two countries - relations which are characterized by meaningful cooperation, understanding and mutual respect for each other. I sincerely hope that your stay, though brief, will afford you the opportunity to observe the progress and development that is taking place in Malaysia.

Malaysia acknowledges that China's rising economic stature and its remarkable growth in the past two decades are attributable to the conscious effort and determination of your leadership and people. We sincerely congratulate your achievements.

3. I am pleased that we have been able to hold fruitful discussions this afternoon on many areas covering bilateral, regional and international issues of mutual interest. On bilateral issues, I note that both sides have agreed to further collaborate and deepen cooperation in the fields of trade, investment, science and technology, agriculture, tourism and education.

4. In the field of investment in particular, we welcome your proposal with regard to the establishment of a transnational investment company which can assist developing countries, in the context of south-south cooperation, to undertake development projects such as infrastructure. Indeed, many Malaysian companies have the experience, expertise and resources of operating abroad in the areas of infrastructure development and construction. These companies, some of whose chief executives and prime movers are present here tonight, can certainly team up to realize the joint venture companies with their Chinese counterparts. In this regard, the ministry of international trade and industry will follow up on the necessary action and I hope the Malaysian Captains of Industry Present tonight will come forward to Participate in a Malaysian Consortium to set up the proposed investment company.

5. I would like to thank China for fulfilling its obligations under W.T.O, where last year's Tariff Rated Quota (TRQ) for Palm Oil Amounting to 2.4 million tones has been mostly utilized. I am also most gratified that the allocation of increased quota for 2003 amounting to 2.6 million tones has been allocated since last week. I hope that China Would continue to Consume Palm Oil from Malaysia. Malaysia continues to welcome China's Investments in Pulp Production in Malaysia under joint venture operations. We take note that the joint venture has now shifted to Sarawak, and we will continue to encourage and held in the fruition of this joint venture project. Malaysia also produces good quality pulp by using the fibres of the fruit bunch of the Palm Trees. This has been tried successfully under factory conditions in China. Very soon we hope to buy those Pulp Processing Machines from China and after processing into Pulp, to sell these to China which is in great need of imported Pulp.

6. We are also pleased with China's agreement to use Malaysia as the Transit Pont for Chinese Muslim Pilgrims to perform their Haj in Mecca. In the field of education, Malaysia welcomes China's Policy of encouraging Chinese students to pursue their education in Malaysia's tertiary institutions, including the study of the English Language. Malaysia hopes that the necessary follow-up action would be undertaken to conclude the relevant M.O.U.'s in the areas of agriculture, tourism, science and technology and education so as to further enhance collaboration between our two countries.

7. Malaysia appreciates China's commitment in enhancing dialogue relations with ASEAN. I am glad that the two countries have consistently supported each other in the ASEAN-China dialogue process and within the framework of ASEAN + 3. These mechanisms could be utilized to strengthen our regional cooperation for a balanced and sustainable growth. I believe that the PRC, with its enriching and accumulated experience in industrialization, can play a pivotal role in helping ASEAN realize its aspirations and targets.

8. The globalization process has been a source of concern for developing countries as it benefited only the developed nations. While globalization relates to trade liberalization, there remain inequalities and problems, if not properly regulated. Liberalization is often equated with WTO. To this end, we welcome China's membership and the influential role that it could play in the organization. I hope that as China opens its market, it will not overlook the small and least developed economies.

9. The war against terrorism is universal. The international community has been grappling with the issue that has been haunting us in the aftermath of the September 11 attack on the US. Malaysia has consistently condemned all forms of terrorism and continues to believe that its root causes should be addressed in finding a solution to the problem. Terrorism must be viewed in a comprehensive manner and it should not be identified with any particular group of people or religion. The efforts undertaken to combat terrorism would be futile if the environment that breeds it is allowed to thrive. Malaysia hopes that the People's Republic of China would cooperate with the international community and play a positive role in combating and eliminating this menace.

10. The current developments pertaining to Iraq is of great concern to many countries, including Malaysia. We strongly believe that military action is not a solution to resolving the Iraqi situation. Any military action against Iraq will affect regional peace with serious consequences on the global economy. Hence, Malaysia is against the use of force unilaterally. The multilateral system of the United Nations should prevail. Such a system should also not be exploited to justify unilateral actions. We hope that China, as a member of the United Nations Security Council, will play an assertive role in preserving the principles of multilateralism in dealing with the situation in Iraq.

11. Let me once again take this opportunity to welcome you and members of your delegation to Malaysia with the hope that you will have a pleasant and memorable visit.

Thank you.