

**SPEECH BY
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE SPECIAL SESSION, JOINT MALAYSIA-SAUDI BUSINESS COUNCIL,
AT MANDARIN IMPERIAL HOTEL, KUALA LUMPUR
31 JANUARY 2005**

HIS MAJESTY KING ABDULLAH BIN ABDUL AZIZ AL- SAUD,
CUSTODIAN OF THE TWO HOLY MOSQUES,
EXCELLENCIES, BROTHERS AND SISTERS,
ASSALAMUALAIKUM,

ALL PRAISE BE TO ALLAH SUBHA NAHU WATA'ALA, HIS GRACE AND MERCY, FOR ENABLING US TO BE HERE ON THIS OCCASION.

LET ME FIRST THANK THE MALAYSIA - SAUDI ARABIA JOINT BUSINESS COUNCIL FOR INVITING ME TO BE PRESENT AND DELIVER AN ADDRESS ON THIS OCCASION OF THE SPECIAL SESSION OF THE JOINT COUNCIL. IT IS INDEED A PRIVILEGE FOR ME TO SPEAK BEFORE THIS GATHERING OF PROMINENT PERSONALITIES, FROM BOTH MALAYSIA AND SAUDI ARABIA.

2. I WISH TO ADD MY PERSONAL WELCOME TO THE CUSTODIAN OF THE TWO HOLY MOSQUES AND KING OF SAUDI ARABIA, HIS MAJESTY KING ABDULLAH BIN ABDUL AZIZ AL - SAUD. WE DO FEEL VERY HONOURED THAT HIS MAJESTY HAS CONSENTED TO GRACE THIS PROGRAMME BY HIS PRESENCE, TOGETHER WITH THE ROYAL ENTOURAGE OF OFFICIALS AND BUSINESSMEN FROM SAUDI ARABIA, THUS MAKING THIS EVENT TRULY MEMORABLE.

3. YOUR MAJESTY, THIS STATE VISIT OF YOURS IS A VERY SIGNIFICANT EVENT FOR MALAYSIA, INDEED A VERY HIGH POINT IN MALAYSIA - SAUDI ARABIA BILATERAL RELATIONS. OF COURSE, YOUR MAJESTY HAD BEEN IN MALAYSIA QUITE RECENTLY WHEN YOU LED THE SAUDI DELEGATION TO THE O.I.C SUMMIT MEETING IN PUTRAJAYA IN 2003. BUT, IT HAS BEEN SOME 35 YEARS SINCE MALAYSIA LAST HAD THE HONOUR OF HOSTING A STATE VISIT BY A REIGNING SAUDI MONARCH. THE LATE KING FAISAL CAME TO MALAYSIA WHEN THE LATE TUNKU ABDUL RAHMAN WAS PRIME MINISTER.

4. YOUR MAJESTY, WE ARE ALSO AWARE THAT SINCE ASCENDING THE SAUDI THRONE, THIS IS YOUR FIRST OFFICIAL JOURNEY ABROAD OUTSIDE THE ARAB WORLD. THE PEOPLE OF MALAYSIA WOULD LIKE TO JOIN THEIR SAUDI BROTHERS IN CONGRATULATING YOUR MAJESTY FOR YOUR WISE AND DYNAMIC LEADERSHIP OF THE MUSLIM UMMAH.

5. I COMMEND THE MALAYSIA - SAUDI FRIENDSHIP SOCIETY AND ITS SUBSIDIARY ARM, THE MALAYSIAN-SAUDI BUSINESS COUNCIL, FOR ORGANIZING THIS EVENT. AFTER MORE THAN 14 YEARS SINCE ITS FORMATION, THE FRIENDSHIP SOCIETY REMAINS EVER RELEVANT. TOGETHER WITH THE BUSINESS COUNCIL, IT IS NOW THE FOCAL POINT OF BUSINESS INFORMATION AND CONTACTS FOR SAUDI BUSINESSMEN AND THEIR MALAYSIAN COUNTERPARTS.

6. I WOULD LIKE OUR SAUDI BROTHERS TO KNOW THAT MALAYSIA IS INDEED A GOOD PLACE TO INVEST. IN 2004, THIS COUNTRY REGISTERED A G.D.P GROWTH RATE OF 7.1 PER CENT. IN 2005, IT WAS 5.5 PER CENT. THE OUTLOOK FOR 2006 IS POSITIVE. SIMILAR OR BETTER RATES OF GROWTH IS EXPECTED.

7. THE GROWTH HAS BEEN BROAD-BASED, COVERING MOST OF THE SECTORS. THE SERVICES AND MANUFACTURING SECTORS WERE THE MAIN CONTRIBUTORS TO THE GROWTH.

8. THE NEAR TERM OUTLOOK FOR 2006 REMAINS OPTIMISTIC, WITH GLOBAL DEMAND EXPECTED TO BE SUSTAINED. THE MALAYSIAN ECONOMY IS FORECAST TO GROW BETWEEN 5 TO 6 PER CENT IN 2006. THE INHERENT STRENGTH OF THE ECONOMY IS REFLECTED IN MALAYSIA'S ECONOMIC FUNDAMENTALS WHICH REMAIN STRONG.

9. I WOULD LIKE TO EMPHASIZE THAT MALAYSIA'S ECONOMY IS PRIVATE - SECTOR DRIVEN. THE GOVERNMENT CONTRIBUTES BY PUTTING IN PLACE THE NECESSARY POLICIES, INFRASTRUCTURE AND LEGAL FRAMEWORK. THE OBJECTIVE IS TO PROVIDE A CONDUCIVE AND PRO BUSINESS ENVIRONMENT. THIS ENABLES THE PRIVATE SECTOR TO BE THE PRIMARY ENGINE OF ECONOMIC GROWTH. WE CALL THIS APPROACH "MALAYSIA INCORPORATED". IT IS ACTUALLY A SMART PARTNERSHIP BETWEEN THE GOVERNMENT AND PRIVATE SECTOR, FOR MUTUAL BENEFIT, FOR ECONOMIC AND SOCIAL DEVELOPMENT OF THE COUNTRY AS A WHOLE.

10. MALAYSIA IS NOW EMBARKING UPON ESTABLISHING KNOWLEDGE-BASED INDUSTRIES IN A BIG WAY. WE BELIEVE THIS IS WHERE THE FUTURE LIES, WHERE WEALTH AND JOB CREATION DEPENDS ON THE CAPACITY TO HARNESS INFORMATION, IDEAS, TECHNOLOGY AND INNOVATION FOR ALL SECTORS OF THE ECONOMY.

11. MALAYSIA IS VERY ACTIVELY PROMOTING THE DEVELOPMENT OF THE INFORMATION AND COMMUNICATIONS TECHNOLOGY (ICT) INDUSTRY. WE HAVE ESTABLISHED THE MULTIMEDIA SUPER CORRIDOR (MSC), WHICH IS AN ENVIRONMENT SPECIALLY CREATED FOR COMPANIES AND CORPORATIONS WISHING TO DEVELOP CREATIVE I.T AND MULTIMEDIA PRODUCTS AND SERVICES.

12. MALAYSIA PROVIDES A COST COMPETITIVE ENVIRONMENT FOR FOREIGN INVESTORS. THE GOVERNMENT CONSCIOUSLY ADOPTS A BUSINESS FRIENDLY APPROACH TO BOTH LOCAL AND FOREIGN INVESTORS. I BELIEVE SAUDI ARABIA HAS ALSO TAKEN A SIMILAR PATH TO ATTRACT FOREIGN DIRECT INVESTMENT INTO ITS ECONOMY.

13. IN THIS COUNTRY, WE HAVE IDENTIFIED CERTAIN PRIORITY INDUSTRIES. THEY INCLUDE HIGHER-END ELECTRONIC PRODUCTS, MEDICAL DEVICES, ENGINEERING SUPPORT INDUSTRIES, AUTOMOTIVE COMPONENTS, BIOTECHNOLOGY, PHARMACEUTICALS, MANUFACTURING RELATED SERVICES SUCH AS RESEARCH AND DEVELOPMENT, PRODUCT DESIGN AND DEVELOPMENT, MARKETING, DISTRIBUTION AND LOGISTICS, INTERNATIONAL PROCUREMENT AND OTHER SUPPORT FUNCTIONS.

14. I WOULD LIKE TO REITERATE THAT MALAYSIA PLACES GREAT EMPHASIS ON STRENGTHENING BILATERAL TRADE TIES WITH SAUDI ARABIA. THE CURRENT STATE OF BILATERAL RELATIONS IS EXCELLENT. THE VOLUME OF TRADE AND INVESTMENT BETWEEN THE TWO COUNTRIES ARE GROWING IN SIGNIFICANCE. BUT THERE REMAINS MUCH UNTAPPED POTENTIALS IN TRADE AND INVESTMENT BETWEEN OUR TWO COUNTRIES. WE MUST TAKE INITIATIVES TO DEVELOP THESE POTENTIALS TOGETHER, MOST DESIRABLY IN THE FORM OF JOINT VENTURES.

15. OUR TWO COUNTRIES HAVE SIGNED AND CONCLUDED MANY AGREEMENTS WHICH CAN PAVE THE WAY FOR CLOSER COOPERATION BUT OUR PEOPLES SHOULD EXPLORE NEW, ADDITIONAL AND INNOVATIVE METHODS OR MECHANISMS FOR DOING BUSINESS.

16. ALTHOUGH MALAYSIANS AND SAUDIS LIVE IN VERY DIFFERENT SOCIETIES AND CULTURAL ENVIRONMENTS, WE DO HAVE A VERY STRONG COMMON BOND IN OUR ISLAMIC FAITH AND BROTHERHOOD OF THE UMMAH. WE SHOULD TAKE ADVANTAGE OF THESE STRONG TIES TO GENERATE PRODUCTIVE COOPERATION AND COLLABORATION BETWEEN OURSELVES.

17. MALAYSIAN BUSINESSMEN DO HAVE THE EXPERIENCE AND TECHNICAL EXPERTISE IN MANY FIELDS. THEY ARE IN FACT ALREADY PRESENT AND PLAY ACTIVE ROLES IN SOUTHEAST ASIA, CHINA, WEST ASIA, THE C.I.S COUNTRIES AND EVEN AFRICA. WE CAN ALSO COMBINE THEIR TECHNICAL EXPERTISE WITH SAUDI CAPITAL TO JOINTLY UNDERTAKE SUITABLE PROJECTS NOT ONLY IN THE KINGDOM BUT ALSO IN OTHER THIRD COUNTRIES. IN SAUDI ARABIA, MALAYSIAN ENTREPRENEURS WILL BE ESPECIALLY LOOKING FOR BUSINESS OPPORTUNITIES IN THE AREA OF INFRASTRUCTURE, INCLUDING CONSTRUCTION, ELECTRICITY, SHIPYARD BUILDING AND MAINTENANCE AND WATER DESALINATION.

18. IN PARTICULAR, WE ARE AWARE OF AND ANXIOUS TO PARTICIPATE IN THE PROPOSED DEVELOPMENT OF RABIGH NEW CITY, DEVELOPMENT OF INDUSTRIAL AND FREE TRADE ZONES AS WELL AS TOURISM PROJECTS.

19. I WOULD LIKE TO MAKE SPECIAL MENTION OF OUR NATIONAL PETROLEUM CORPORATION, PETRONAS. THIS COMPANY HAS MUCH INTERNATIONAL EXPERIENCE AND IS KEEN TO EXPAND ITS OPERATIONS IN SAUDI ARABIA. I KNOW THAT THEY ARE OPEN TO ANY PROPOSALS FROM SAUDI ARAMCO.

20. I HAVE BEEN INFORMED THAT THE COUNCIL WILL BE ORGANIZING SPECIAL WORKSHOPS AND BUSINESS PRESENTATIONS ON VARIOUS TOPICS AFTER THE LUNCHEON TODAY. I AM SURE THEY WILL PROVE USEFUL TO BUSINESSMEN ON BOTH SIDES. I HOPE THAT BUSINESS CONTACTS WHICH YOU WILL ESTABLISH THROUGH THESE SESSIONS WILL BE FOLLOWED UP AND FINALLY BRING MUTUAL BENEFITS TO YOU PARTICULARLY AND TO OUR TWO COUNTRIES GENERALLY.

21. TO KEEP UP THE MOMENTUM, THE JOINT MALAYSIA-SAUDI ARABIA BUSINESS COUNCIL MIGHT WISH TO CONSIDER ESTABLISHING A SPECIAL GROUP OR COMMITTEE TO SPEARHEAD THE FORMATION OF STRATEGIC BUSINESS ALLIANCES BETWEEN OUR TWO COUNTRIES. SUCH A GROUP OR COMMITTEE CAN ALSO ESTABLISH SPECIFIC ACTION PLANS TO PROMOTE BILATERAL TRADE, BUSINESS VENTURES AND INVESTMENT COOPERATION BETWEEN MALAYSIA AND SAUDI ARABIA. I WISH YOU GREAT SUCCESS IN YOUR DELIBERATIONS.

I THANK YOU FOR YOUR ATTENTION.