

**SPEECH BY  
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI  
AT THE SEMINAR ON BUSINESS OPPORTUNITIES IN MALAYSIA AND YEMEN  
AT SANA'A, YEMEN  
28 FEBRUARY 2007**

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Excellencies, Ladies and Gentlemen;  
Assalamualaikum and a very good morning to all present.

I am indeed very pleased to be here in Yemen today, and to be addressing this gathering of eminent business persons.

2. Malaysia and Yemen share a similar history in international trade. Both are situated on trade routes used by early Muslim traders. Over the years, our search for growth and development has taken us along differing paths. It is my hope that today's occasion will serve as an opportunity for our business communities to reacquaint themselves so that we can contribute to each others' economic growth and well being.

Excellencies, Ladies and Gentlemen;

3. Malaysia is the 19th most globalised economy in the world. Our total trade is more than twice of our Gross Domestic Product. The openness of our economy has facilitated our growth. However, we are also acutely aware that being such an open economy, in an environment of increasingly intense global competition, requires us to stay ahead of competition if we are to continue expanding. Our economic imperative is to vie for, and attract, foreign direct investments, sustain domestic investments, and continue to be significant in the global trading environment.

4. In this mission, the role of Government is central. I believe Governments must continue to fine-tune existing policies and implement new ones to facilitate trade and investment. We must ensure that we create and maintain a conducive, business-friendly, enabling environment. Such an environment is necessary for business and trade to flourish and remain competitive. Such an environment will effectively complement the efforts of the private sector, in ensuring highly productive, efficient and competitive business operations which can hold their ground in both the domestic and export markets.

5. It is in this context that the Malaysian government has put in place definite and consistent economic development plans, as well as plans to shape industrial development. We are now into the Ninth Malaysia Plan and the Third Industrial Master Plan. These plans provide the blueprint of strategies and programmes geared towards realising the economic and social objectives of the country.

6. The Ninth Malaysia Plan focuses on strengthening the existing economic sectors, and generating new knowledge-intensive activities, especially in information and communications technology, biotechnology and the services sectors. The Third Industrial Master Plan specifically aims to enhance Malaysia's long-term competitiveness.

7. My Government has always viewed the private sector as our partners for economic growth and wealth creation. The Malaysia Incorporated policy that we practice has contributed much to Malaysia's economic success. It is for this reason that the presence of a business delegation from Malaysia has become a regular feature of all my official visits to other countries. We do acknowledge the role of the private sector in putting into effect government plans and projects for growth and development.

Excellencies, Ladies and Gentlemen,

8. As an active player in international trade and investment, we focus not only on enhancing the business environment at home, but we also make concerted efforts to improve our trade and investment relationships and linkages at the bilateral, regional and multilateral levels. This seminar which we are conducting today is part and parcel of these efforts. Malaysia is a country which is actively engaged in trade and investment liberalisation initiatives in ASEAN, the O.I.C as well as at the W,T.O.

9. In our region, we are committed towards bringing into being the ASEAN Economic Community by the year 2015. We are convinced that trade and investment liberalisation among member countries will make the region a more attractive investment base. It will also enhance intra-ASEAN trade. In fact, since the coming into force of the ASEAN Free Trade Area in 1993, intra-ASEAN trade increased almost four-fold, from USD 82.3 billion in 1993 to USD 306.4 billion in 2005.

10. As the current Chairman of the O.I.C Summit, I am keen to see the success achieved at the ASEAN-level replicated within the O.I.C. I would therefore encourage Yemen to sign on to the Framework Agreement of the Trade Preferential System among O.I.C Member Countries, or TPS-OIC, and the Protocol on the Preferential Tariff Scheme, or PRETAS. These initiatives can boost intra-O.I.C trade.

11. Malaysia's total trade with O.I.C countries in 2006 expanded by 22.9 per cent compared with 2005, which attained USD 22.7 billion. In 2006, Malaysia's exports to O.I.C countries amounted to USD 11.8 billion, an increase of 17 percent over the 2005 total of USD 10.1 billion. I firmly believe that there remains much room for expansion of intra-OIC trade and investment.

12. In 2006, Malaysia's imports from the O.I.C countries increased by 30 per cent to USD10.9 billion, compared with USD8.4 billion in 2005. The main items of import were crude petroleum, refined petroleum products, chemicals and chemical products, manufactures of metal, and electric and electronic products.

13. In recent years, Malaysia's exports to the O.I.C countries have increasingly comprised services, particularly construction and related professional services. Last year, one of Malaysia's largest infrastructure companies obtained a USD 174 million contract to build a bridge in Bahrain. Other successful projects included a highway and an airport project in Qatar worth USD 734 million.

14. You might like to note that Malaysian companies have also secured infrastructure works in Saudi Arabia, Libya, Turkey and Pakistan. We believe that these successes indicate the competitiveness and competency of Malaysian firms in the construction and related professional services. They also indicate the potentials for collaboration between the business communities of Yemen and Malaysia in these areas.

15. I would also like you to note that Malaysian financial services companies are gaining recognition as global experts in Islamic banking, insurance and other financial services. By specialising in Islamic funding and wealth management, and serving as a takaful and re-takaful centre, Malaysia is well positioned to become an important centre for origination, issuance and trading of Islamic capital market and treasury instruments. Malaysia is also ready to serve as an investment gateway to the East Asian region.

16. Malaysia's move to position itself as the global halal hub is another area for enhanced collaboration. The Malaysian International Halal Showcase, or MIHAS, now held in Malaysia annually, has become an important platform for promoting business and trade in halal products and services. I want to encourage Yemeni businesses to take part and visit MIHAS, which will be held from 9-13 May 2007 in Kuala Lumpur.

Excellencies, Ladies and Gentlemen,

17. Malaysia is willing and able to share with the Yemeni business community its experience and accumulated knowledge about international trading and investment. My hope is that this meeting of the two business communities here today, together with the exchange of information and business matching sessions that have been planned, will pave the way for improved trade and investment linkages. Bilateral trade and investment between Malaysia and Yemen is still relatively small. It accounted for only about 0.1 per cent of Malaysia's global trade. In 2006, total trade between Malaysia and Yemen amounted to USD 312 million, with exports valued at USD 260.2 million and imports at USD 51.8 million.

18. Presently, Yemen is Malaysia's fifth largest export market in the West Asia region. The business communities of both sides should leverage on Yemen's strategic location in West Asia. Major exports from Malaysia were iron and steel products, palm oil, wood products and processed food. Imports from Yemen were mostly crude petroleum, seafood and metal products.

19. The rate of investment between our two countries clearly needs a boost. There is now very minimal cross-flows between our countries. You might like to note that Yemeni companies in Malaysia have invested in sectors such as audio parts and equipment, commodities trading and container warehousing. On our part, Malaysian companies have mostly invested in the mining and quarrying sectors in Yemen.

Excellencies, Ladies and Gentlemen;

20. Malaysia is an active proponent of the multilateral rules-based system of trade liberalisation at the W.T.O. With the full resumption of the Doha Round and the appointment of a Malaysian as the new Chairman for the General Council, Malaysia will work hard in the W,T.O to achieve progress in key areas of negotiations. I understand that Yemen is now in the process of acceding into the WTO. I look forward to the day, in the not too distant future, to welcome Yemen as a full member in the W.T.O.

21. Before I conclude, let me just remind you, especially our friends on the Yemen side, that this year 2007 is the 50th anniversary of Malaysia's independence from colonial rule. Many special events have been planned to mark this important milestone in our history. Do come and visit us this year and celebrate with us our 50 years of peace, harmony and prosperity. For purposes of doing business with us, you

are welcome any time.

22. Let me now take the opportunity to thank officials from both Yemen and Malaysia for successfully organising this seminar and the business matching sessions which will take place after the conclusion of this seminar.

I thank all of you for your presence and I wish you every success.