

**SPEECH BY  
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI  
AT THE OFFICIAL OPENING OF THE KHAZANAH NASIONAL BERHAD  
BEIJING'S REPRESENTATIVE OFFICE  
AT BEIJING, CHINA  
23 OCTOBER 2008**

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KHAZANAH NASIONAL GOES INTERNATIONAL

DISTINGUISHED GUESTS, LADIES AND GENTLEMAN,

A VERY GOOD AFTERNOON TO ALL OF YOU. I AM VERY PLEASED TO BE HERE IN BEIJING TODAY, ON THE OCCASION OF THE OPENING OF KHAZANAH NASIONAL BERHAD'S BEIJING REPRESENTATIVE OFFICE. THIS IS INDEED A HISTORIC EVENT FOR KHAZANAH NASIONAL BECAUSE THIS OFFICE IN BEIJING IS KHAZANAH'S FIRST INTERNATIONAL OFFICE.

2. THE OPENING OF THIS REPRESENTATIVE OFFICE ALSO MARKS A VERY IMPORTANT MILESTONE IN OUR COVERAGE OF CHINA, AND REFLECTS KHAZANAH'S COMMITMENT TO THE CHINA MARKET. IT ALSO SIGNIFIES OUR CONFIDENCE OF CHINA'S GROWTH POTENTIAL AND STRATEGIC IMPORTANCE TO THE REGION AS A WHOLE.

3. PERHAPS I COULD PUT THIS EVENT IN THE CONTEXT OF THE PAST, PRESENT AND THE FUTURE.

4. HISTORICALLY, CHINA AND MALAYSIA HAVE ENJOYED A VERY LONG, FRIENDLY AND STRONG RELATIONSHIP DATING SINCE SOME 600 YEARS AGO. IT CAN BE TRACED BACK TO THE YEAR 1405, WHEN ADMIRAL CHENG HO SAILED ALL THE WAY FROM CHINA AND ARRIVED AT THE KINGDOM OF MELAKA WITH THE MISSION TO ESTABLISH PEACEFUL RELATIONS, TRADE, AND CULTURAL EXCHANGE.

5. IN THE MODERN ERA, MALAYSIA'S SECOND PRIME MINISTER, TUN ABDUL RAZAK, BECAME THE FIRST LEADER FROM SOUTHEAST ASIA TO PAY AN OFFICIAL VISIT TO BEIJING IN 1974. HE MET WITH PREMIER ZHOU EN-LAI AT A TIME WHEN CHINA WAS ONCE AGAIN REOPENING ITS DOORS TO THE WORLD.

6. SINCE THEN, THE ECONOMIC TIES BETWEEN CHINA AND MALAYSIA CONTINUED TO GROW. WE HAVE BECOME IMPORTANT TRADING PARTNERS. BY 2007, MALAYSIA'S OVERALL TRADE WITH CHINA TOTALED MORE THAN U.S.D 34 BILLION.

7. WHILE THE CURRENT THE FINANCIAL CRISIS STEMMED FROM THE WEST, ITS SEVERITY WILL SOON BE AFFECTING THE REAL ECONOMIES IN ASIA. BOTH CHINA AND MALAYSIA WILL NOT BE SPARED EITHER.

8. THE CURRENT WOES REVEAL YET AGAIN ASIA'S STILL HIGH DEPENDENCY ON THE DEVELOPED ECONOMIES. MOST NATIONS WILL BE LEFT WITH VERY FEW OPTIONS FOR REVIVING THEIR ECONOMIES WHEN TRADE FLOWS EBB DRAMATICALLY.

9. LOOKING AT THE STRONG HISTORICAL PAST, THAT WE SHARED, CONSIDERING THE COMMON CHALLENGES FACING ASIA TODAY AND GAZING INTO THE FUTURE - PERHAPS IT IS TIME TO HIGHLIGHT AGAIN AND REINFORCE THE IDEA THAT THE ASIAN ECONOMIES MUST WORK TOGETHER MORE INTIMATELY. THIS IS THE WAY ENSURE THAT THE ALREADY STRONG ECONOMIC RELATIONSHIPS CAN AND SHOULD BE DEVELOPED BEYOND JUST TRADING. WE NEED MORE OF CROSS AND JOINT INVESTING ACTIVITIES.

10. MORE SIGNIFICANTLY, WE SHOULD STRIVE TO BUILD MULTIPLE PLATFORMS TO MOBILISE THE LARGE SAVINGS POOLS IN ASIA TO EFFECTIVELY AND EFFICIENTLY FUND GROWTH POTENTIALS WITHIN THE REGION. IN THIS WAY, WE CAN REDUCE OUR VULNERABILITY TO SHOCKS WHICH ARE EXTERNAL TO THE REGION.

11. IN THE SAME WAY, WE WILL BUILD A MODEL TO ENSURE THAT ASIA, AS ONE OF THE FASTEST GROWING REGIONS IN THE WORLD, WILL IN TIME GENERATE WAVES OF STABLE DEVELOPMENT PROJECTS, SUSTAINABLE ECONOMIC BENEFITS, AND BE A CATALYST FOR WORLD ECONOMIC RECOVERY.

12. INDEED, APART FROM MAKING DIRECT INVESTMENTS INTO CHINA, KHAZANAH HAS ALSO MADE CONCERTED EFFORTS TO USE ITS INVESTMENTS TO EVOLVE INTO SUCH PLATFORMS. FOR EXAMPLE, KHAZANAH'S RECENT MONETIZATION OF ITS STAKES IN PARKSON VIA AN EXCHANGEABLE "SUKUK" WAS SUCCESSFUL IN RECREATING A "NEW SILK ROAD" - ALLOWING INVESTORS FROM THE MIDDLE EAST TO PARTICIPATE IN THE RETAIL CONSUMPTION GROWTH OF CHINA. WE CERTAINLY HOPE TO CREATE AND PARTICIPATE IN MORE OF THIS KIND OF INVESTMENT RELATED TRANSACTIONS.

13. LADIES AND GENTLEMEN, IT IS AGAINST THIS BACKDROP THAT KHAZANAH OPENS ITS OFFICE IN BEIJING AND IN THE PROCESS, ESTABLISHES ON-THE-GROUND PRESENCE IN CHINA TODAY. THE BEIJING REPRESENTATIVE OFFICE WILL ALSO SERVE AS A BASE TO SUPPORT GOVERNMENT-LINKED COMPANIES (GLCS) AND OTHER MALAYSIAN COMPANIES IN THEIR EFFORTS TO EXPLORE BUSINESS OPPORTUNITIES AND BUILD TWO-WAY LINKAGES WITH CHINA. IT WILL ALSO HELP SPUR THE INTEREST OF CHINESE COMPANIES IN EXPLORING INVESTMENT OPPORTUNITIES IN MALAYSIA, AND PROMOTE JOINT INVESTMENTS IN MARKETS WHERE MALAYSIA HAS HAD EXPERIENCE, SUCH AS IN THE SOUTH EAST ASIA AND THE MIDDLE EAST REGION.

14. IT IS MY PERSONAL WISH TO SEE MALAYSIA AND CHINA BUILD ON THE RICH HISTORY OF RELATIONS BETWEEN OUR COUNTRIES, AND DEVELOP IT INTO A STRATEGIC RELATIONSHIP THAT WILL BE A CATALYST FOR GROWTH FOR BOTH OUR COUNTRIES AS WELL AS FOR THE REGION.

15. IT IS WITH THIS VISION AND HOPE THAT I NOW HAVE THE PLEASURE TO ANNOUNCE THE OFFICIAL OPENING OF KHAZANAH'S BEIJING REPRESENTATIVE OFFICE.