

**THE 2ND WORLD FUJIAN CONVENTION AND MALAYSIA-FUJIAN INVESTMENT AND TRADE EXHIBITION**

THE MAHSURI INTERNATIONAL EXHIBITION CENTRE, LANGKAWI, KEDAH  
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Firstly, let me bid you a warm welcome to Malaysia particularly to the legendary isles of Langkawi. It is indeed a great honour for Malaysia to be chosen as the venue for the Second World Fujian Convention.

2. I am sure this gathering would not only help to foster friendship and strengthen ties among Hokkien Chinese throughout the world but at the same time help them to forge better cooperation in the fields of economics, culture and social. In conjunction with this convention I am told that a Malaysia- Fujian Investment and Trade Exhibition is also being held. I hope this exhibition will enable participants to get better insights into the investment policies and trade potentials of Malaysia and the Fujian Province. We certainly welcome Hokkien Chinese the world over to invest in Malaysia.

3. As you are aware, Malaysia is a multi-racial, multi-religious and multi-cultural country. While many other multi-racial countries have to grapple with the problems associated with being multi-racial, Malaysia is free of the kind of violent conflicts which characterise most multiracial societies. The different races in Malaysia live and cooperate well with each other. We learnt a big lesson from the one race riot in 1969, and decided that there is nothing to be gained from racial or religious violence. While we would not claim that race relations in Malaysia is ideal, but by comparison the Malays, Chinese, Indians, Ibans, Kadazans and others, that make up the racial composition of this country, are more able to live together harmoniously and in cooperation with each other than those in many other multi-racial countries.

4. One major reason why we have been able to remain peaceful and stable is because Malaysians are tolerant people. While the Malay language is the national and official language and the Malay culture predominates, the languages and cultures of the other races are preserved. We accept that people do not want to forget completely their roots. But we also know that in Malaysia the different roots of the people do not affect their loyalty to the nation and their identification with it or the other citizens of this country. In short whether they are Fukienese or Cantonese or Hakka or Tamil or Telegu or Malay or Iban, they are all Malaysians with a common focus of loyalty and a common national culture.

5. A manifestation of this tolerance is the building of temples and churches side by side with mosques, the existence

of Chinese and Tamil schools and the availability of Chinese and Tamil newspapers and magazines. We do not forbid the use of the languages and cultures of non-indigenous citizens nor do we insist on the adoption of indigenous names.

6. Malaysians are justly proud of the fact that their country is a genuinely multi-racial country. All the various races have not only enjoyed the fruits of stability but they have also enjoyed the nation's rapid economic development and prosperity resulting from it. It is true that there are affirmative actions taken by the Government in favour of the Bumiputeras, but this is necessary to correct the imbalance among the various races created by the divide and rule policy of British before. These affirmative actions are accepted by the various races because they all deem it fair that everyone should have a fair share of the wealth of this nation. Not only have they all accepted but they have helped make the policy a success. Today the disparities in the economic development of the races are less prominent. And racial harmony as well as economic growth are the results.

7. The Asian Pacific region is experiencing a dynamic economic growth. Within the region itself, countries of the ASEAN group are showing growth performance far exceeding those of other areas in the world.

8. Within the ASEAN region Malaysia still stands out as a growth centre offering an investment environment of stability, economic prosperity and dynamism. Many companies from leading industrialised countries have set up ventures here and have identified Malaysia as a spring board to meet the challenges of the expanding markets in the Asia- Pacific region and also as a centre for exports back to America and Europe.

9. To those of you who wish to expand your business interest in the Asia Pacific region you may wish to examine the potentials that Malaysia offers.

10. Malaysia is an attractive base for businessmen seeking to expand into and to take advantage of the potential that the Asia-Pacific region offers. The factors that contribute to Malaysia's investment environment include political stability, high economic growth, efficient administration, a trainable, adaptable and productive work force and well developed infrastructure. Corruption here is minimal and has not got in the way of economic expansion. Bureaucratic hassle is rare.

11. Malaysia has always welcomed foreign investment ever since it achieved independence in 1957. Malaysia offers a package of tax holidays as well as export and other incentives. The country also offers a quality of life which expatriates find

comfortable. One hundred percent foreign ownership of enterprises is possible if certain conditions are met.

12. Malaysia subscribes to the free market system where private enterprise plays a leading role in the economy. We maintain commercial contacts with all the countries of the world. Goods and currencies have always been allowed to flow freely across our borders.

13. In the last five years the Malaysian economy grew at an average rate of 8.7 percent. This rapid growth resulted in our per capita income rising from RM6,099 in 1990 to RM9,786 in 1995. In addition, the inflation rate remains below four percent. Thus the relatively low wages compared to wages in developed countries do not result in low living standards. Low costs of production is thus maintained in Malaysia without denying our workers reasonable lifestyles.

14. This remarkable performance of the economy is not by accident but is the result of judicious implementation of carefully thought out pragmatic policies and programmes.

15. Our policies have been so successful that today we are experiencing labour shortage. The need to update and provide adequate infrastructure has resulted in a balance of payment deficit, as massive projects and new industries require imports of sophisticated capital goods and construction materials.

16. Faced with these problems, it has become necessary to discourage labour-intensive industries in favour of capital and technology-based industry. The switch to capital and technology-intensive industries and the promotion of large scale manufacturing will hopefully overcome the current problems of labour shortage and eventually deficits in the balance of payments.

17. The Government has also initiated the setting up of the Multimedia Super Corridor (MSC) extending from Kuala Lumpur to the new Kuala Lumpur International Airport via the new administrative capital, Putrajaya, which will be provided with world class physical and information infrastructure. Private sector multimedia companies will be encouraged to set up their operations in the MSC to undertake sophisticated manufacturing of goods and services using the latest in Information Technology and multimedia. It is our intention to make Malaysia a regional IT hub.

18. Bilateral trade between Malaysia and the People's Republic of China has shown fairly rapid growth in the last six years. There has been almost a three-fold increase in trade between

Malaysia and China between the period 1990-1995. Bilateral trade between Malaysia and China was in Malaysia's favour in the last three years. In 1995, the trade surplus amounted to RM614 million.

19. In 1995, bilateral trade expanded further by 6.7 percent over 1994, with a total value of RM9,212 million. However, despite the expansion in the volume of trade in 1995, China's share of Malaysia's global trade declined from 2.8 percent in 1994 to 2.4 percent in 1995.

20. Malaysian exports to China has generally shown an increasing trend over the last six years recording a value of RM1,674 million in 1990, RM5,062 million in 1994 and RM4,913 million in 1995.

21. China was Malaysia's tenth largest export market in 1995. Exports to China was dominated by primary commodity-based products such as palm oil, veneer, plywood and particle board, animal and vegetable oils and fats, crude petroleum, natural rubber and latex and sawn timber.

22. China was the eleventh largest source of import for Malaysia in 1995 accounting for 2.2 percent of total imports. Imports comprised mainly textile yarns and fabrics, telecommunications equipment, flat-rolled products of iron and non-alloy steel, vegetables, metallic and peroxy salts, photographic apparatus and equipment, semi-conductors, lime cement and construction materials, crude vegetable, electrical machinery and apparatus/parts and commodities.

23. Investments from China in the Malaysian manufacturing sector in terms of the number of projects approved have generally been on the upward trend though the number of projects approved is still relatively small and insignificant. For the period 1987 to April 1996, a total of 44 projects involving capital investment of RM615.5 million from China was approved.

24. There is good scope for industrial cooperation between Fujian and Malaysia since Fujian together with other coastal areas and provinces in China have been the prime areas of destination for foreign investments. During the period 1979 to 1993 it was reported that Fujian attracted US\$12.5 billion worth of foreign investments or 5.6 percent of the total contracted investments. In terms of gross domestic product by region, the share of Fujian in 1994 was the eleventh largest at 3.7 percent. However, the average real growth in gross domestic product between the period 1990 to 1994 in Fujian was the third highest at 17.6 percent after Hainan and Guangdong.

25. The Hokkien community in Malaysia has contributed much towards the economic development of the country. As with other dialect group they have maintained their dialect and cohesiveness, while being good Malaysians. Their linking up with Hokkiens elsewhere should help to draw the attention to this dynamic community and the business opportunities in Malaysia. This Convention will no doubt contribute towards this objective among others.

26. On this note I have the pleasure to declare open the 2nd World Fujian Convention and Malaysia- Fujian Investment and Trade Exhibition.