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(PRIME MINISTER)

EVENT: THE 4TH WORLD FUI CHIU COMMUNITY CONVENTION

VENUE: GENTING HIGHLANDS

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TIME:

I wish to thank the organisers, the Malaysian Fui Chiu Association for inviting me to officiate at the Forth World Fui Chiu Community Convention today.

2. The overseas Fui Chiu community is well-known for its traditional values of industriousness, pioneering spirit, entrepreneurial skills, business acumen and perseverance in adversity. This gathering of the World Fui Chiu community is testimony to this fact and symbolic of the success of the community in forging enduring business and social relationships across continents.

3. These traditional values, that have served the Fui Chiu community in various parts of the world in good stead for more than a century, continue to be relevant in today's global economy which recognises no geographical borders.

4. The strong business relationship built over the years between clansmen of the Fui Chiu community in many parts of the world has resulted in a tight network and facilitated greater international trade and investment opportunities. The economic linkages that have been established also provide channels to reap mutual benefits among members.

5. The World Fui Chiu Community Convention represents a particularly significant opportunity not only for enhancing business and trade relationships, as the Fui Chiu participants comprise nationals from many of Malaysia's major and traditional trading partners but also of increasing mutual understanding and creating global brotherhood. I have been made to understand that here today there are about 1,200 Fui Chiu participants from 13 countries - US, Singapore, Taiwan, Hong Kong, China, England, Thailand, Australia, Canada, Brunei, Indonesia, Trinidad and Malaysia.

6. This convention provides an important avenue for Fui Chiu clansmen from different countries to take advantage of Malaysia's strong bilateral trade,

investment and business linkages in order to promote exports, source imports, encourage investment cross-flows and realise business transactions.

7. Opportunities in Malaysia are plentiful particularly in the industrial and agricultural sectors, resource-based sector, food industry as well as in ICT in the Multimedia Super Corridor. In addition, the export of services is becoming increasingly significant for Malaysia and the priority areas are in education and tourism. Franchising is another area in which Malaysia has a lot to offer.

8. Various incentive packages have been put in place to accelerate translation of these investment and business opportunities into actual trade, investment and business transactions and to promote Malaysia as an investment destination.

9. These investment incentives include specific equity guidelines that allow foreign majority holding of up to 100 per cent without any export or equity conditions being imposed. All applications received for new as well as for expansion and diversification projects before 31 December 2003 are exempted from both equity and export conditions.

10. Total capital investment in the manufacturing sector totalled USD 6.9 billion in 1998, USD 4.5 billion in 1999 and USD 8.8 billion in 2000.

11. Investors can also take advantage of Malaysia's strategic location as a gateway for their expansion into the surrounding ASEAN market, which has a population of 513 million and a combined GDP of USD 750 billion. Malaysia is committed to the implementation of the ASEAN Free Trade Area (AFTA) which will be realised in the six original member countries (Malaysia, Thailand, Singapore, Indonesia, Brunei and the Philippines) by 1 January 2003. These six original ASEAN members have agreed to eliminate duties on at least 60 per cent of products by 2003.

12. The long-standing business and socio-cultural relationship among Fui Chiu clansmen, each representing the business interests of their own respective countries, has added strategic importance with the imminent entry of the People's Republic of China into the World Trade Organisation.

13. The Fui Chiu international business network, intimate knowledge of China's business ethics and environment, familiarity with Chinese customs and work practices, ease of communication as well as traditional bonds of clansmanship are value-added factors that

provide the Fui Chiu community with the competitive edge in facilitating access into China's vast market.

14. The Fui Chiu community should employ this competitive edge to strengthen economic links and realise business transactions between China and their respective countries. They should endeavour to strengthen and expand their ties beyond community relationships into business alliances. This is a challenge for the Fui Chiu community to bring benefits of their China market to their respective countries.

15. The capacity and scope to further develop mutual cooperation in trade, investment and business are promising as china industrialises and develops economically and gradually emerges as an important regional and global player.

16. Malaysia has all along been very supportive of China's application to join the WTO and believes that china will assume a constructive role in the WTO. Malaysia looks forward to the admission of China into the WTO and will continue to extend cooperation in facilitating China's full participation as a member.

17. The current economic slowdown and its global contagion effect pose severe challenges to communities and countries all over the world. Progress made, since the East Asian crisis of 1997, in strengthening macro-economic fundamentals as well as financial and banking re-structuring, may now be de-railed or side-tracked. Economies, instead, have to re-focus on economic recovery and pro-growth measures.

18. In view of this, it is therefore important for the business community to work together in collaboration with the Government to boost business and consumer confidence and to counter negative sentiments on the economic downturn.

19. In this regard there must be concerted efforts to strengthen government-business dialogues and feedback and to continue with a pragmatic approach to ensure a predictable and secure business environment and to introduce measures which can stimulate global economic recovery and growth.

20. Malaysia will continue to adopt liberal and market-oriented policies and believes that all stakeholders including business, labour and government should work together to maintain a business-enabling environment and expand world trade in overcoming the global slowdown.

21. Malaysia recorded a strong economic performance

last year with a real GDP growth of 8.5 per cent compared to 5.8 per cent in 1999. However, with the slowdown in the US economy made worse by the September 11 attack, the Malaysian economy is now estimated to grow by 1 per cent to 2 per cent in 2001.

22. To counter the impact of the slowdown, Malaysia has responded with a series of stimulus packages aimed at invigorating domestic demand and checking further slide in the Malaysian economy. A sum of USD 1.13 billion was introduced in early October 2001 on top of the USD 800 million announced in March 2001 and new incentives were also introduced in the 2002 Budget.

23. These stimulus packages introduced were aimed at generating economic activities and providing maximum spin-off effects as well as ensuring a fair and wide distribution of benefits to a large segment of the population.

24. It is hoped that with all these interventions we will be able to reduce the negative impact of the US economic slowdown. This convention will, hopefully, be able to discuss measures that can overcome some of the problems faced by business communities. A global challenge definitely needs a collective response.

25. On that note, I have great pleasure to declare open the Fourth World Fui Chiu Community Convention.