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Your Excellencies, Distinguished Guests, Ladies and Gentlemen,

Almost thirty years ago, a meeting between two leaders brought about one of the most significant landmarks in Asia's diplomatic history. It was indeed a defining moment. One meeting that ended years of suspicions and paved the way for reconciliation between former foes. When Tun Razak met with Chairman Mao on 29th of May 1974, not only did it pave the way for the establishment of formal ties between the two countries, it also provided an impetus for other regional countries to follow suit. This single meeting led to Asia's d,tente.

Today, Malaysia and China enjoy cordial relations in many areas and have indeed forged a kind of a strategic partnership, which goes beyond bilateral ties. Both share common global perceptions and we stand together on many international issues which have helped to form consensus among developing and even developed states. As we move into the 21st Century, with new challenges confronting all of us, wherever we are located, we need to better understand each other so as to face a global environment that has come to be dominated by a few over the many. We are living in an age of the tyranny of the minority as the phrase goes, I believe.

Ladies and Gentlemen,

There has been much debate over the rise of China. As always there are two schools of thought on this. The first, namely the so-called prophets of doom, paints a negative picture, even suggesting that China poses a threat and to some even collapsing at some point in the future. Gordan Chang, for instance has a rather provocative title to his book, "The Coming Collapse of China", which, not surprisingly, basically reflected his discussion on that country. Such writings reminded me of some analyses on US-Japan relations in the 1980s, when similar kinds of apocalyptic writers predicted that ties between these two allies will break down and eventually go to war with one another. One title had a similar ring to the one I had just mentioned on China. The title was "The Coming War with Japan". As we know relations were well managed and Tokyo and Washington were able to successfully overcome the then challenges.

The second school exercises a much more optimistic approach,

often suggesting that China will experience a soft landing, which will bring benefit to the region and the world. I would like to state here that I subscribe to such an assessment. China's growth is positive and we must encourage this trend. China's accession to the WTO is a hallmark towards this direction. Indeed a strong China will lead to a strong region.

One of the reasons why there has been a burgeoning in the literature on China is precisely due to its emergence and its potential, which is enormous. In all accounts, China's capacity is great. Statistical data is in abundance to support such a sanguine picture. Its growth is phenomenal to say the least. The average annual growth rate has been 9 percent and it is currently the sixth largest economy in the world, and the fourth largest trading nation. One cannot imagine that only a few decades ago, this once Middle Kingdom was in the economic backwaters. If China was to grow at the current rate, it will soon be the number two in the global economic mountain. Such is the feat of China's economic growth. Obviously this has been achieved without its concomitant challenges. Nonetheless, we are confident that Chinese leaders will overcome some of these obstacles just as much as we too are coming to grips with our economies post-1997 crisis.

In a different context, in a different era, one could think of similar trepidations when such a powerful state emerges. To some extent it is natural to feel somewhat hesitant and there will always be people who would try to conjure up images of the extreme expressions of such power. The debate between a benign and a hegemonic power will always be present when a region or the world braces itself for an emerging powerful player. Such is the state of affairs we are in.

When one looks at history, one finds that there have been more periods when conflicts have occurred than otherwise. As a result, I strongly believe we must change our attitude and approach towards such a phenomenon. Often, we are too quick to fall into our own traps and sometimes this has the horrible habit of having its own momentum and we ended up with something which we wanted to avoid in the first place. It becomes a self-fulfilling prophesy.

In the present global arena which sometimes generates a sense of helplessness and a degree of strategic paralysis, we really need to be more innovative in our thinking and approaches in facing challenges. In this regard, we need to see the bigger picture and not be swayed by the short term perspective - the need to see the forest from the trees, if you like.

Distinguished audience,

Malaysia and China have both come a long way, as individual states as well as in their bilateral relationship. China is today quite a different country as compared to when Tun Abdul Razak stepped foot on Chinese soil thirty years ago. Then it was in the midst of coming out from the tumultuous years of the Cultural Revolution which saw the ascendancy of the Red Guards, creating tremendous upheaval amongst the population. Deng Xiaoping was himself a victim of this anarchy. Fortunately he survived and as we know he subsequently became the architect of China's rise to economic stardom. With the focus on the Four Modernisation programme, China is today the biggest destination for Foreign Direct Investment (FDI). In 2002 for instance, China absorbed some USD52.743 billion of FDI.

Internationally, China continues to play a significant role as the conscience of the majority of the state system, where individually we are of no global consequence. It is still the only Asian member of the Security Council and one of the Big Five. The world appreciates China's voice, like the French and the Germans, on its opposition to the use of force in Iraq. The carnage that we witness in Iraq today has vindicated such resistance and has proven beyond doubt the foresight of opposition.

Malaysia too has come a long way since 1974. While still recovering from the worst race riots the country had ever witnessed, Malaysia experienced steady growth over the decades and today it is proud to have one of the most politically stable countries in Asia. At present, under the leadership of Pak Lah, we are taking stock of the country's development and making adjustments so that our growth will be a balanced one and that marginal groups that have been left behind as a result of our rapid economic development, will be given a helping hand. It is so easy for us to speed ahead and not spare a moment to look over our shoulders whether any have been left behind. Today, we are looking at perennial issues such as poverty as we recognize that it does exist and that it is sinful to allow such economic injustices to prevail when we could boost one of the tallest edifices in the world.

Ladies and Gentlemen,

With such cordial relations between our two countries at present, it is important to remind ourselves that it was not just plain sailing nor was it due to some miracle. It was sheer hard work and guided by the principle of seeing and

regarding each other in a positive light rather than succumb to perceiving the others as adversaries.

As history bears witness, prior to the meeting between Tun Razak and Chairman Mao, relations between the two states were beset with what appeared to be insurmountable problems. These issues were not at all easy to solve as there were deep suspicions, security concerns as well as ideological differences. In fact their positions were diametrically opposing. However, because Prime Ministers Tun Razak and Chou Enlai were thinking of the bigger picture, they both decided to put aside their differences and to see the forest from the trees. It was a much needed respite for the two countries and obviously when the ink dried and the respective leaders went back home, these outstanding issues surfaced and subsequent leaders had to deal with them. Again, I would like to state here that prudence ran supreme and we successfully managed the relationship until today where I see it as being at its best and the potential for us to get closer is omnipresent.

As we are all aware, the nature of relations between Malaysia and China spans a wide area, ranging from educational linkages, tourism, business and economic nexus. In the field of education, we have seen significant increases over a relatively short period. From a meager 20 students in 1999, the figures have soared to more than 10,000 in 2003. Obviously this coincides with not only Malaysia's desire to make the country a regional educational hub, by essentially establishing reputable institutions, but also China's attempt to send its citizens to seek knowledge wherever possible.

In another area where we have seen considerable improvement is in the area of tourism where Chinese visitors make up the fourth largest group to visit this country. Although the figure has dipped somewhat due to the outbreak of SARS last year, in 2002, for instance, more than half a million Chinese nationals (2002 - 557,647/2003 - 350,597) visited this country. This has indeed helped to boost our hospitality industry as well as retail.

In the economic and business fields, there has been a steady rise from only RM4.44 billion in 1992 of total bilateral trade to RM43.44 billion in 2002. While this may appear small as compared to the overall growth of the Chinese economy, this increase is reflective of the growing confidence that exist between the two business communities, with business areas expanding to include items such as textile, furniture, chemical and petroleum products as well as basic metal and non-metallic mineral products.

My esteemed audience,

To take up and take heed of the words of Prime Minister Dato' Seri Abdullah Ahmad Badawi, while taking cognizant of the significant improvement in bilateral relations, there are vast opportunities that both sides could explore so that we could complement each other in the global arena. In other words, to all those directly and indirectly involved in contributing to the increases in bilateral contacts, let us put our minds together and try to meet the expectation of our Prime Minister so that we are able to benefit from the opportunities that abound.

This year provides an excellent opportunity for both Malaysia and China to elevate the relationship to greater heights. Not only is this year symbolic as it marks the 30th anniversary of Malaysia-China relations, but that the world is today in dire need of leadership of a new kind, of a new approach, that of making friendship as its core and to view the environment as truly benign and not to foster suspicions. I know I run the risk of sounding too idealistic and devoid of political reality. However, if one examines how our relations have flourished, they are indeed predicated on such an approach. If we have been successful primarily due to the benevolence of leadership, we should indeed try our best to replicate this elsewhere.

Given today's chaotic and complex world, we are in need of benign leadership, which need not necessarily be limited to a single power. What we need is collective leadership, where consensus is built upon and that consultation becomes the norm rather than the exception. In Asia at least we badly need this, as I believe China together with other regional countries could play such a role. Malaysia is ever willing to play its fair share of making the region a better place to live and a better place where conflict is not seen as the first option and not even as the last option but rather as not an option. Prior to the invasion of Iraq one got the distinct feeling that there was really a "no-war option but" once the decision was made to resort to the use of force, the quest for a casus belli began. The justification came after the decision was taken.

We must change this as a norm in international affairs. It is a tall order but this is where prudent and consensual leadership is needed. I am confident that we in Asia could take the lead and at the very least keep wars and conflicts out of the region. After all, we have had our fair share of death and destruction over the decades. Instead we should concentrate on building our nations, constantly providing the goods to our peoples and raise their stakes in the society that they live. This is surest way for us to achieve

stability.

Ladies and Gentlemen,

When Tun Abdul Razak and Chou Enlai met in the splendour of the People's Great Hall in Beijing, they were clear in what they wanted to achieve. In the words of Tun Abdul Razak, and acknowledged by Chou Enlai, the meeting between the leaders "would usher a new era of real friendship between the two governments and the two peoples" and that they wanted a sincere friendship to exist and that their hope was that this new found "friendship would endure for all time". Such foresight, such foresight indeed. It has endured thirty years and with great confidence I can say here with certainty, it will continue to endure for the next thirty years and beyond.

Thank you very much for your indulgence.