

**By : DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK
PERDANA MENTERI MALAYSIA**

Venue : SEOUL, KOREA

Date : 05/04/2011

**Title : ROUNDTABLE MEETING WITH KOREAN CAPTAINS OF INDUSTRY
SEOUL**

**Mr. Sohn Kyung-Shik
Chairman,
Korea Chamber of Commerce and Industry (KCCI)**

**Dato' Sri Mustapa Mohamad
Minister of International Trade and Industry, Malaysia**

**Datuk Seri Dr. Maximus Johnity Ongkili
Minister of Science, Technology and Innovation, Malaysia**

**Dato' Shaziman Abu Mansor
Minister of Public Works, Malaysia**

**His Excellency Dato' Ramlan Ibrahim
Ambassador of Malaysia to the Republic of Korea**

**His Excellency Lee Yong-Joon
Ambassador of Republic of Korea to Malaysia**

**Professor Dr. Ahn Choong-Yong
Chairman
Regulatory Reform Committee**

Ladies and Gentlemen,

Distinguished Guests.

1. Allow me at the outset to express my sincere thanks to the Korea Chamber of Commerce and Industry, and especially to Mr. Sohn Kysung-Shik as Chairman, for hosting today's business luncheon.

2. I am delighted to be here this afternoon, to have this opportunity to address such a distinguished gathering of Korean captains of industry, and to explore and share with you my thoughts about how Malaysia and South Korea can further enhance our bilateral economic relations.

3. I am also pleased to note that today's meeting will be the second between our business leaders, after the successful meeting held in Kuala Lumpur on 10th December last year presided over so ably by H.E. President Lee Myung-Bak.

4. I know that H.E. Lee Myung-Bak's address to our Malaysian business leaders was received extremely well, and His Excellency's eloquent call for the strengthening of business ties between our private sectors has certainly catalyzed Malaysian businessmen's enthusiasm for doing business with their Korean counterparts.

5. I am pleased to inform you that the Malaysian chapter of the Malaysia- Korea Business Council has been established. The committee members are here with me today – hugely experienced men from a wide range of business sectors who are interested in discussing opportunities for investment and collaboration with the Korean business community.

Ladies and Gentlemen,

6. Please allow me to highlight some of the latest developments taking place in Malaysia that may be of interest to you.

Bilateral Trade

7. In the past decade, bilateral trade between Malaysia and Korea has increased more than two fold, from USD 6.94 billion in 2000 to USD 15.6 billion in 2010. Korea is currently Malaysia's 6th largest trading partner, accounting for 4.5 percent of Malaysia's total global trade, and our 7th largest export destination. In 2010 Malaysia's exports to Korea increased by 14.6 percent to USD 7.5 billion compared to 2009, accounting for 3.7 percent of Malaysia's total exports.

Ladies and Gentlemen,

8. Korean investment interest in Malaysia is encouraging. To date, we have 315 companies with Korean interests operating in Malaysia in both the manufacturing and selected services sectors, including companies that have established their regional operations in Malaysia.

9. Korea is the 7th largest source of foreign investment in the manufacturing sector in Malaysia – a total capital investment of US\$ 2.71 billion in advanced electrical and electronics, minerals, petroleum, fabricated metal and wood based industries.

10. I am delighted to see a surge in interest from the Korean companies in exploring investment interests in Malaysia. We have several projects on our radar that we are tracking closely – in the solar cell, oil refinery, shipbuilding, biomass, automotive parts and renewable energy sectors, to name just a few – and I am determined to ensure we provide all the help we can to make these projects a reality in 2011.

2. Investment Opportunities

11. Ladies and Gentlemen, I believe there is enormous potential for collaboration between Korean and Malaysian corporations to explore the opportunities arising from the new growth sectors. I have no doubt that the strength of Korean companies in sectors like information communication technology (ICT), machinery and engineering, pharmaceuticals, biotechnology and knowledge-driven industries will give them an edge in capitalizing on these opportunities in Malaysia.

12. In addition, Malaysia's strong foundation in halal products and services, health tourism, education and Islamic finance offers exciting partnership opportunities for Korean companies.

Malaysian Economy

13. Allow me to touch briefly on the Malaysian economy, which I am pleased to inform you has outperformed our expectations. The Malaysian economy registered a 7.2 per cent growth last year compared to a contraction of 1.7 per cent in 2009, the highest achieved since 2000, with most sectors showing credible growth as well as brisk exports.

14. In 2011, despite a challenging global environment with the political tensions in the Middle East, the aftermath of the earthquake in Japan and the global economic slowdown, the Malaysian economy is expected to remain strong with a growth forecast of between 5.0 and 6.0 per cent. As of 15 March this year our international reserves with the Central Bank stood at USD110.4 billion. Our currency, the Malaysian Ringgit, has also appreciated against the US Dollar by more than 12 percent since January last year.

15. The Malaysian economy remains fundamentally strong, with a continued inflow of foreign direct investments, a healthy reserves position and high commodity prices.

16. In Malaysia, the private sector continues to be the engine of growth in our economy. Private investment rebounded steadily to register a 13.8% growth in 2010 compared to a contraction of 17.2% in 2009. Our growth formula is premised upon a strong and effective partnership between the public and private sectors, with the Government facilitating businesses by ensuring that procedures and regulations promote a business-friendly environment. It is this partnership that has made Malaysia cost-competitive and contributed to our ability to continue to attract Foreign Direct Investment amidst intense global competition.

Ladies and Gentlemen,

17. Malaysia has embarked on a journey to transform our economy and to enable us to emerge as a developed, high income nation by 2020. These new policy initiatives, strategies and programmes are outlined in the New Economic Model (NEM) and the 10th Malaysia Plan.

18. I am confident that together both the NEM and the 10th Malaysia Plan will lift the Malaysian economy to a developed economy with a per capita income of US\$15,000 by 2020. Structural transformation, an innovative and creative workforce and large scale private investment are the key ingredients that will ensure we hit this target.

19. That is why the government launched the Economic Transformation Programme (ETP), identifying 131 Entry Point Projects worth US\$444 billion that are expected to create 3.3 million high quality jobs.

20. Amongst the 131 entry point projects, I believe the following areas offer opportunities for Korean companies:-

- i. Business Services;
- ii. Healthcare;
- iii. Financial Services;
- iv. Electrical and Electronics;
- v. Green Technology;
- vi. Oil and Gas and Energy; and
- vii. ICT
- viii. Tourism

21. The success of this initiative is premised on encouraging the private sector to play a part in the transformation process by investing 92% of the total proposed investment over the next 9 years under the Economic Transformation Programme.

22. To ensure that this transformation process moves ahead unhindered, we will not only continue to maintain the conduciveness of the investment environment for the foreign and domestic investors, we will also put in place policy initiatives to unleash the potential of these sectors for growth.

23. I would like to conclude by reiterating my government's commitment that Malaysia will remain a profitable destination for foreign companies that make our country their home. Driving and incentivising Malaysia–Korea private sector partnership will continue to be our focus in our bilateral relations now and in the coming years, strengthening the already strong ties between our nations.

Thank you.