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PERDANA MENTERI MALAYSIA**

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BUSINESS OPPORTUNITIES IN MALAYSIA**

The Honorable Mr. Choi Joong-Kyung

Minister of Knowledge Economy, Republic of Korea

Dato' Sri Mustapa Mohamad

Minister of International Trade and Industry, Malaysia

Mr. Sohn Kyung-Shik

Chairman,

Korea Chamber of Commerce and Industry (KCCI)

His Excellency Dato' Ramlan Ibrahim

Ambassador of Malaysia to the Republic of Korea

Professor Dr. Ahn Choong-Yong

Chairman

Regulatory Reform Committee

Datuk Jalilah Baba

Director General, Malaysian Investment Development Authority, MIDA

1. First and foremost, I would like to convey my heartfelt gratitude to be speaking at this Investment Seminar on “Business Opportunities in Malaysia” here in this wonderful city. I’m delighted to be back in Korea, to be here in this great city of Seoul, and of course to have this opportunity to speak with all of you this afternoon.

2. This is my first official visit as Prime Minister but I have been lucky enough to visit your country on two memorable occasions in the past – to attend the ASEAN/Republic of Korea Commemorative Summit on beautiful Jeju

Island back in 2009, and before that in 2007 in my capacity as Deputy Prime Minister and Minister of Defence.

3. Well, they say that good things come in threes, and it is certainly a pleasure to be back here once again – so let me first of all thank H.E. President Lee Myung-Bak, a friend and hugely respected global statesman, for his generous invitation; the people of the Republic of Korea for all the warmth and hospitality they have shown us since our arrival here in Seoul; the Korea Chamber of Commerce and Industry, the Korean Trade Investment Promotion Agency and the Malaysian Industrial Development Authority for hosting today's event.

4. Last year, of course, saw the 50th anniversary of the establishment of diplomatic ties between Malaysia and the Republic of Korea, a relationship that has grown and solidified over the years. Since the inception of the Look East policy back in the 1980s, bilateral relations have been strengthened in areas like trade, investment and tourism, but they have also blossomed in a myriad of other ways.

5. To give just one example of Korea's enduring legacy to our country, Malaysia's landmark Petronas twin towers – the tallest twin buildings in the world and a source of great national pride – were built back in 1998 by Samsung, a true giant of Korean engineering. Well, I say 'towers'... in fact Samsung only built one. The other was built, in a spirit of healthy competition, by Japan's Mitsubishi... and I have to be honest with you here and say that Samsung's was completed first, not just on time but actually ahead of schedule!

6. So Korea's engineering prowess has in a very real sense helped shape the place Malaysia is today – and another example of this, of course, is the magnificent Penang Bridge. Spanning 13.5km and connecting communities on the island of Penang with those in Seberang Perai, the bridge was an incredible achievement when it was completed back in 1985, becoming for many Malaysians a symbol of our economic progress. Once again, it was built with passion, vision and a huge amount of expertise by a Korean company, Hyundai – with President Lee Myung-bak at its helm as CEO.

7. But it's not just big Korean-led projects like these that have influenced our landscape for the better. Every day, in many much smaller ways, the large Korean community living in Malaysia make their own contribution to the cultural melting pot our country is today. In 'Little Korea', located at One Ampang Avenue right in the heart of Kuala Lumpur, it is common to see stores with signs in three languages, Bahasa Malaysia, English and Korean, with supermarkets selling Korean magazines, imported soda drinks and Yangban rice.

8. As of last year, Malaysia Airlines now flies daily between Seoul and Kuala Lumpur. And the advent of AirAsia, Malaysia's home-grown success story and Asia's largest budget airline, has meant that low cost travel between our countries is now within the reach of many more – shrinking geographic boundaries and connecting us in ways that in the past were just a pipedream.

9. There's even a joint Malaysia-Korea facebook page, creating a community of a different, online kind and connecting the younger generations as well as those of us who are, well, not so young!

10. So, we in Malaysia are proud of all these ties that bind us – and that have done so for the past 50 years. During that time a lot has changed, for both of us. Korea has grown to become a titan of global manufacturing, creating world-leading products for the international export market. For our part, Malaysia has focused more on foreign direct investment to drive industrialisation – with FDI in Malaysia now growing amongst the fastest in the world in recent trends.

Ladies and Gentlemen,

11. Today, Malaysia is home to more than 300 Korean companies, including Samsung, Kiswire, Hyundai and Posco. Korea is one of our largest foreign direct investors – the driving force behind almost 300 manufacturing projects creating over 40,000 jobs. And bilateral trade between our countries has doubled over the past ten years, with President Lee and I agreeing to double it again within the next five years – that's right, we've pledged to double it again in half the time.

12. This is, I hope, a testament to the strength of our commitment to broaden and deepen our collaboration. The President and I are as one in our belief that we must do more to leverage the ASEAN-Korea Free Trade Agreement that came into force at the beginning of last year, under which bilateral trade between ASEAN and South Korea is expected to surge to USD 150 billion by 2015.

13. But we know that there is still more we need to do. That is why we have also agreed to explore the feasibility of a bilateral Free Trade Agreement, and in this regard, officials from both sides will be meeting soon to take this proposal forward.

14. Let me say also how pleased I am that so many captains of industry from both Malaysia and Korea are here with us this afternoon. For this I must thank you, because whilst we in Government can set the framework, making it easier for you to do business and easing the rules and regulations that all too often

hold you back, in the end you are the ones on whom the future of our economy depends.

15. I believe, we in Malaysia can learn much from Korea's way of achieving developed nation status – it is, after all, often said that Korea did in 50 years what the West did in 200! – and I want to commend the National Chamber of Commerce and Industry Malaysia and the Korea Chamber of Commerce and Industry for collaborating to establish the Malaysia-Korea Business Council. This opens up yet another channel for strategic collaboration between our private sectors, and of course the new Council will also be able to engage in high-level dialogues with governments on both sides – providing timely feedback on what we are doing right but also on what we could do better.

16. Ladies and Gentlemen, distinguished guests, allow me if you will to take this opportunity to update you on some of the latest economic developments in Malaysia.

17. The Malaysian economy grew by 7.2 per cent last year compared to a contraction of 1.7 per cent in 2009 – the highest growth rate since the turn of the Millennium, reflecting an impressive recovery in the manufacturing and services sectors, brisk exports and sustained domestic demand. This year our economy – ranked the 10th most competitive nation in the world by IMD – is expected to remain strong, with a growth forecast of between 5.5 and 6.0 per cent. We are also seeing the benefits of continued inflows of foreign direct investments, a healthy reserves position maintained by the Central Bank, a record performing Malaysian ringgit and a resilient banking system.

18. In April last year, we embarked on an ambitious programme of reforms, the New Economic Model, designed to transform Malaysia into a fully developed nation by 2020, and a key part of that process is the Government Transformation Programme – a fundamental overhaul of the way that Government does business. I am convinced that as we move towards a new knowledge economy, the role of Government has to be fundamentally different to in the past, with Government and business working together to drive innovation right across the board. The days of Government knows best are over – and I am determined to embrace change, to try things out and transform, and ultimately to do things in a way that is more responsive to your needs.

19. But again, we must go further – which is why alongside the GTP we also launched a comprehensive Economic Transformation Programme, ETP. My delegation will be able to share with you later in more detail the opportunities available under the ETP, but the key point about the ETP is that it is a hugely detailed, comprehensive and a cross-cutting plan setting out Malaysia's target areas for growth.

20. So far, we have identified 131 entry point projects worth US\$ 444 billion which have the power to accelerate private sector participation and generate our target economic growth of 6.0% per annum. 60 projects with a combined investment of more than US\$ 30 billion and the potential to create more than 220,000 jobs are already underway. And all 131 projects will be implemented over the next 10 years, with the 5th round of ETP implementation to be announced when I return to Kuala Lumpur.

21. So I hope this gives you a sense of how serious we are about implementing these pivotal reforms – because if 2010 was a year for planning and charting our course, 2011 is a year of implementation and execution.

Ladies and Gentlemen,

22. I believe one of our greatest strengths in Malaysia has been the strong sense of collaboration and partnership between the private and public sectors – a partnership that has enabled us to continue to attract foreign direct investment in the face of intense global competition, and that has seen Malaysia take its place amongst the most active trading nations in the world.

23. That is why, this afternoon, I give you this assurance: my Government will always work with you, and we will always be pro-business. You are the wealth creators, the engines of growth, and I am determined to do everything within my power to help you do what you do best.

24. So let me once again express my sincere gratitude on behalf of the whole of the Malaysian Government for your interest and support today. I look forward to many productive business relationships, both old and new, and to welcoming you to Malaysia very soon. I invite you to seize with both hands all the opportunities our country has to offer.

Thank you.