

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

Venue : **MALAYSIA-CHINA KUANTAN INDUSTRIAL PARK, GEBENG, PAHANG**

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Title : **THE OFFICIAL LAUNCH OF MALAYSIA-CHINA KUANTAN INDUSTRIAL PARK (MCKIP)**

Bismillahirrahmanirrahim

Assalamualaikum Warahmatullahi Wabarakatuh, Salam Sejahtera dan Salam Satu Malaysia.

His Excellency Jia Qinglin;
Chairman of the Chinese People's Political Consultative Conference of the People's Republic of China,

Yang Amat Berhormat Dato' Sri DiRaja Haji Adnan Bin Haji Yaakob;
Menteri Besar of Pahang,

Yang Berhormat Dato' Sri Mustapa Bin Mohamed;
Minister of International Trade and Industry,

Yang Berhormat Tan Sri Ong Ka Ting;
Malaysian Prime Minister's Special Envoy to China,

Distinguished Guests,

Ladies and Gentlemen,

1. I would like to wish a very warm welcome to all of you, especially His Excellency Jia Qinglin, Chairman of the People's Political Consultative Conference of the People's Republic of China, and the Chinese delegation. On behalf of the people of Malaysia, I thank you for your presence here in Pahang, and for being part of this historic event.

2. The official launch of the Malaysia-China Kuantan Industrial Park marks a new chapter in the relationship between our two countries: a relationship that has matured beyond expectations.

3. Four decades ago, Malaysia boldly broke the ice of the Cold War. On the eve of what would prove a historic visit to Beijing, my late father, Prime Minister Tun Abdul Razak, declared at a press conference: "I am going on a journey of goodwill and friendship to sow the seeds of mutual understanding between Malaysia and China."

4. Four days later, Malaysia became the first Southeast Asian nation to establish diplomatic relations with China. It was the beginning of a partnership of great promise.

5. Our nations were very different then. A decade after independence, Malaysia was looking to build a new kind of economy. Petronas, our first and foremost energy company, was yet to be established. The Kuala Lumpur Stock Exchange was yet to be incorporated. Kuala Lumpur itself had only just acquired city status.

Ladies and Gentlemen,

6. China, too, was different. Less than one in five people lived in the cities; today, more than half do. The Shanghai Stock Exchange, today the sixth largest in the world, was dormant. GDP was measured in billions, not trillions. China's extraordinary growth – perhaps the most globally significant economic development in the latter twentieth century – was just beginning.

7. Yet the confidence that our countries showed in each other was well-founded, for as our economies developed, the bonds between us grew stronger. Co-operation in tourism, education, science and technology, and finance increased. Economic relations deepened. Further reform unlocked further opportunity: diplomatic ties were strengthened, and bilateral trade

soared.

8. Today, our nations are closely connected. China is Malaysia's largest export market, and accounts for a sixth of our imports. This year, we expect more than RM1 billion of Chinese foreign direct investment in Malaysia. Over the next five years, we expect two-way trade to reach US\$100 billion.

9. This economic relationship rests on solid diplomatic foundations. We have long believed that the 'middle nation' can play a central role in South East Asia as a force for stability, development and good. Back in 1991 the Chinese Foreign Minister, His Excellency Qian Qichen, attended the 24th ASEAN Foreign Ministerial Meeting as the guest of the Malaysian Government. Malaysia also led the ASEAN initiative to accord Dialogue Partner status to China, and in 2010 we pushed for the creation of the China-ASEAN Free Trade Area.

10. This tradition of mutual trust in pursuit of shared opportunity continues to this day. I am particularly pleased to announce that both nations are finalising the 5-Year Development Programme for Economic and Trade Cooperation, which is expected to be ready for consideration in the first quarter of this year. The Programme will map opportunities for co-operation between now and 2017: charting a clear course for future growth.

11. Over the past decade, the world has come to terms with a model where China's need for resources has created new patterns of trade and influence. Now the world is beginning to recognise that Chinese innovation and domestic demand will prove just as potent a force in the global economy. So on economic co-operation - and diplomatic - I am proud to say that Malaysia is ahead of the curve.

Ladies and Gentlemen,

12. Malaysia-China relations have been elevated to new heights under the stewardship of both President Hu Jintao and Premier Wen Jiabao. Premier Wen's strong and unequivocal support for the Malaysia-China Kuantan Industrial Park – and its sister, China-Malaysia Qinzhou Industrial Park in Guangxi – is testament to his vision for mutual prosperity.

13. We share that vision. This is the first industrial park in Malaysia to be accorded national status, meaning it will be driven by the private sector, but guided by government. In fact, I took a personal interest in this project: from the start, I advised Malaysian officials that this development must match the remarkable speed with which its Qinzhou counterpart was created. In fact, I coined the phrase that it must be the "Qinzhou speed"!

14. The result? In just four months, the park is ready to be launched. And now we have a new term for accelerated development here in Malaysia: "Kuantan speed"!

Ladies and Gentlemen,

15. Today we celebrate the launch of the Malaysia-China Kuantan Industrial Park. We offer our thanks and congratulations to all those involved. But the hard work is only just beginning. Today we will witness the signing of five strategic documents to kick-start the inflow of investments:

- First, the Shareholders Agreement between the Malaysia Consortium and China Consortium for the Establishment of MCKIP Joint Venture Company;
- Second, the Memorandum of Understanding of Investment between the East Coast Economic Region Development Council (ECERDC) and Guangxi Beibu Gulf International Port Group for three projects in the park: a steel plant, an aluminium plant and an oil palm refinery;
- Third, the Memorandum of Understanding between Guangxi Beibu Gulf International Port Group and Rimbunan Hijau Group for the investment in the oil palm refinery in MCKIP;
- Fourth, the Memorandum of Understanding between IJM Corporation Berhad and Guangxi Beibu Gulf International Port Group on the Development and Expansion of Kuantan Port; and
- Last but not least, the Framework Agreement on Financing Cooperation between China Development Bank Corporation and the Master Developer of MCKIP comprising a Malaysia consortium and a China consortium, which will involve collaboration between the parties in the areas of project financing and financial consulting services for the MCKIP project.

16. Each of these signings point to a long and fruitful future for the Malaysia-China Kuantan Industrial Park. The park has already attracted investment commitments worth RM10.5 billion, creating 8,500 jobs. And a further RM2.5 billion will be

invested by the Master Developer, who will play a key role in constructing the park's major infrastructure. In the spirit of bilateral cooperation, I am pleased to note that the Master Developer is a joint venture between Malaysian and Chinese partners.

17. I hope and trust that these investments will be the first of many. But the true impact of this park will be felt not just in economic terms, but in the legacy it leaves on the lives of local people. The Group has committed to provide training for all levels of its workforce, and will work with local training institutions for skills development. And an internship programme at the Group's existing plants in China will help young people learn new skills and a new culture.

18. Located on a 1,500-acre site in the East Coast Economic Region of Malaysia's Special Economic Zone (ECER SEZ), MCKIP is well-positioned to become a hub of high-end, export-oriented industries that would leverage on its proximity to Kuantan Port, which is only five kilometres away.

19. The potential spin-offs from the park are substantial, including in downstream and processing industries; transport and logistics; training, retail, and harbour-related industries. It promises opportunities for investors from China and beyond. And it will also benefit the Malaysian business community, as well as the people of Pahang and the East Coast Economic Region of Malaysia.

20. This is in keeping with a wider trend: over the past five years, this part of the country attracted RM38 billion worth of investment. With the establishment of this Industrial Park, the region's prospects have become even brighter. I urge local chambers of commerce, SMEs and entrepreneurs to take advantage of the opportunities that are being created right on their doorstep.

Ladies and Gentlemen,

21. Six hundred years ago, the distinguished admiral and diplomat Zheng He arrived here in Pahang. He saw then what is still true today: Eastern Malaysia is an ideal gateway for regional trade.

22. Kuantan's location on the South China Sea means it offers the quickest and most direct route to the major ports of the fast-developing Guangxi Beibu Gulf Economic Region. And its location in one of our Special Economic Zones means it is well-served by modern transportation networks. And so I am pleased to announce that the Guangxi Beibu International Port Group will be partnering with IJM Corporation Berhad for the Kuantan Port expansion project, an investment worth RM3 billion.

23. The expansion will include a new deep water terminal, to make the port competitive as a major shipping destination. It will ensure that China and Malaysia remain closely connected at a time when the balance of global trade is tilting in Asia's direction. With the Regional Comprehensive Economic Partnership set to bring half the world's population within a single market, the importance of this connection will only increase by leaps and bounds.

Ladies and Gentlemen,

24. On behalf of the people of Malaysia, I would like to take this opportunity to express my special thanks to my good friend His Excellency Wen Jiabao for bringing this project to life. Malaysia will not forget his contribution to the partnership between our countries.

25. My appreciation also goes to His Excellency Jia Qinglin as representative of the Government of the People's Republic of China. Your attendance with the Chinese delegation here today demonstrates the strength of the ties between us, and the importance that China attaches to its relations with Malaysia.

26. I would also like to offer our congratulations to the recent leadership transition at the 18th National Congress of the Communist Party of China. Malaysia looks forward to building closer ties with the new leadership that will assume office later this year. Our interests - reform, stability and growth - often overlap. In keeping with four decades of tradition, we remain partners for prosperity and peace.

27. I reserve special thanks for Yang Berhormat Tan Sri Ong Ka Ting, our Special Envoy to China; the Ministry of International Trade and Industry; the Malaysian Investment Development Authority; the Pahang State Government, especially Yang Amat Berhormat Menteri Besar Dato' Sri DiRaja Haji Adnan Bin Haji Yaakob; and the East Coast Economic Region Development Council. I also wish to thank Guangxi Beibu Gulf International Port Group for their vote of confidence in Malaysia; and I pay tribute to all those who have been involved for their commitment to the success of this project, including the Malaysian group SP Setia, Rimbunan Hijau and PKNP (Pahang State Economic Development

Corporation).

28. Finally, I extend my best wishes to the Malaysian and Chinese consortia who will be working together as the master developer. With continued support, dedication and commitment, I am confident that the Malaysia-China Kuantan Industrial Park will emerge as a resounding success; one that marks a highpoint in the relationship between our nations.

Thank you very much.

Wabillahitaufik Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.