

# Malaysia, China: Ties Of Centuries Celebrated

by Gail Billington

Malaysian Prime Minister Abdullah Ahmad Badawi made his first state visit as Malaysia's Prime Minister to China from May 27 to May 31. The state visit in itself reflects a history of ties between the two ancient countries that date back 600 years, to the historic visit of China's famous Admiral Zheng He, who visited Malacca, then the capital of Malaysia, during his fleet's years-long journey of world exploration.

The Malaysian Prime Minister's state visit also coincided with the 30th anniversary of official ties between his country and China, ties that were established during the Cold War, when Malaysia's second Prime Minister, Tun Razak Hussein, took the bold decision to visit China from May 28 to June 2, 1974, and to meet with Chairman Mao Zedong and Premier Zhou Enlai. With that step, Malaysia became the first country in Southeast Asia to establish official ties to China.

A soon-to-be-released book on Malaysia-China relations, written by author Razak Baginda, describes Tun Razak's official visit as "a small step for Tun Razak, but a giant leap for the region." That trip also signaled the shift of Malaysia's foreign policy from pro-West, to one that was more equidistant.

In honor of these two historic events, the year 2004 has been designated Malaysia-China Friendship Year with a vast array of events being held throughout the calendar. One special celebration will be held in honor of Admiral Cheng He's voyage to Malacca.

## Economic Links Booming

Prime Minister Abdullah Ahmad Badawi is already well known to China's leaders, having served as Malaysia's Foreign Minister before succeeding Prime Minister Tun Mahathir bin Mohamad six months ago. In September 2003, while still Deputy Prime Minister, Badawi paid a visit to China, where he was officially received by Prime Minister Wen Jiabao in the Great Hall of the People, followed by a courtesy call to President Hu Jintao. That gesture of respect by the Chinese leadership was reciprocated by the size and makeup of the Malaysian Prime Minister's current 800-person delegation to China, including representatives of 80 Malaysian firms.

China is Malaysia's fourth-largest trading partner, while Malaysia is China's seventh-largest. In a paper written by Dr.

Lee Kam Hing and Professor Lee Poh Ping on Malaysia-China relations, the authors said: "The sharp rise in trade between Malaysia and China in the last few years has been due, in part, to the liberalization in trade ties between the two nations. During the mid-1980s and the late 1990s recession, a number of Malaysian companies were forced to venture overseas, including to China, in search of investment opportunities. Malaysia has long recognized the tremendous potential in China. With a population of 1.28 billion, China represents a huge market."

Bilateral trade between the two countries was worth \$1.58 billion in 1993, grew to \$2.1 billion in 1998, and then boomed to \$13.2 billion in 2003. The two authors added that Malaysia accounted for 25% of China's trade with all of the 10-country ASEAN group of nations in Southeast Asia. China is the largest buyer of Malaysian rubber and the biggest importer of palm oil. The bilateral trade grew over the course of more than a decade, 1990-2003, at an average annual rate of 24%.

Ties between the two are expanding in other significant ways. There are now some 10,000 Chinese studying in Malaysia, while Chinese nationals are the fourth-largest group of tourists to Malaysia.

Following the bilateral talks between Prime Ministers Wen Jiabao and Abdullah Ahmad Badawi, the two leaders witnessed the signing of four memoranda of understanding between the governments, and six memoranda of agreement between the private sectors of the two countries. At an earlier Malaysia-China Business Dialogue, a further 28 memoranda of understanding had been signed by the private sector firms.

In his speech to the dialogue, Malaysia's Prime Minister proposed five areas of cooperation between the private sectors of the two countries: construction, information and communication technology and biotechnology, education, healthcare, and franchise arrangements.

## Malaysia's 'Ice-Breakers'

Malaysia's internationally-known long-time Prime Minister and advocate of new international economic/financial institutions, Dr. Mahathir Mohamad, was also a strong advocate of boosting Malaysian-China ties, according to Tan Kai Hee, Secretary General of the Malaysia-China Friendship Association. The Secretary General said of Dr. Mahathir: "He was another ice-breaker like Tun Razak. Throughout his time in office, China and Malaysia cooperated well."

Tan Sri Michael Chen, who had participated in the original 1974 delegation led by Prime Minister Tun Abdul Razak (the father of the current Deputy Prime Minister) to the historic May 28, 1974 meeting with Mao Zedong and Zhao Enlai, commented on the current state of relations: "All things considered, I think [Malaysia and China] have gone very far. We can look back and say that we did the right thing. There is a Chinese saying that every 30 years, the river changes course. The change has benefited our two countries."