

Malaysia is perfect base for China exporters, says finance minister

By Azril Annuar

KUALA LUMPUR, Aug 8 — Malaysia's access to major world markets such as the US and Europe makes it the perfect location for China-based exporters to relocate, Lim Guan Eng said today.

Speaking at the Malaysia-China Belt & Road Economic Cooperation Forum 2019, the finance minister added that Malaysia's strategic location in the middle of Asean, which its collective population of 650 million people, is also the icing on the cake for Chinese exporters to change bases.

"Beyond domestic considerations, Malaysia has easy access to the world's major markets, be it the US, Europe or elsewhere.

"This is an important point at the time when the global supply chain is being reoriented due to trade flows either in the Pacific driven by the US, or in the Atlantic driven by the UK.

"Amid the significant reorientation, Malaysia is the reliable partner that has continued access to various economies. For China-based exporters affected by the trade war, Malaysia is clearly a base that you need," said Lim in his speech text provided to the media.

The minister reiterated his June announcement that in the first quarter of 2019, Malaysia approved a foreign direct investment (FDI) of RM29.3 billion, an increase of 73.4 per cent compared to RM16.9 billion last year.

He said that the boost was powered by a 127 per cent increase in approved manufacturing FDI worth RM20.2 billion from RM8.9 billion in the same quarter last year.

"Out of the RM20.2 billion approved manufacturing FDI during the period, RM4.4 billion came from China, making China the second biggest source of approved manufacturing investment during the first quarter of 2019.

"China is also Malaysia's single biggest trading partner. In the first half of 2019, total goods trade between Malaysia and China was valued at RM148.8 billion or 16.6 per cent of total Malaysian external trade of RM895.5 billion," said Lim.

Last year saw Malaysia's trade with the Asian superpower hit RM313.8 billion, which was a record breaking amount between the two nations.