

Deepening Pragmatic Cooperation Between Sabah and China
Jointly Build 21st-Century Maritime Silk Road
30 Jan. 2018

Distinguished guests,
Ladies and gentlemen,
Dear friends:

Good afternoon! It is my pleasure to attend today's conference on behalf of Consul-General Liang Caide of the People's Republic of China in Kota Kinabalu at the invitation of SEDIA.

According to the arrangement of the organizer, the topic of my presentation today is Deepening Pragmatic Cooperation Between Sabah and China, Jointly Build 21st-Century Maritime Silk Road.

**The Belt and Road Initiative originates from China,
but belongs to the whole world**

For more than 2,000 years, the ancient silk road has been an important bridge connecting the east and the west with economic and cultural exchanges. It is a symbol of East-West exchange and cooperation and a common historical and cultural heritage shared by all countries in the world. In 2013, President Xi Jinping of China successively raised the vision of building the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road," referred to as "the Belt and Road Initiative." This concept has activated the historical memory of the glorious Silk Road by the countries along the route and garnered widespread attention from the international community and positive responses from relevant countries.

China promotes the construction of the The Belt and Road Initiative with a view to uphold and promote the spirit of the silk road of peace and cooperation, openness and inclusiveness, mutual learning and mutual understanding, achieving harmony, mutual benefit and common development through enhanced pragmatic cooperation with countries along the Belt. It is the concrete embodiment of China's commitment to pursuing partnership with its neighbors and the neighborhood diplomacy of amity, sincerity, mutual benefits and inclusiveness, fostering a harmonious, secure and

prosperous neighborhood. It is also an important measure taken by China and its neighboring countries in building a common interest and destiny community. The "Belt and Road Initiative" was proposed by China but not unique to China. Its mainstay of cooperation is not only China, but all members of the international community.

After 4 years of cooperation and joint development of the countries along the Belt, the ancient silk road has become a vital link for the prosperity and development of the countries along the Belt. Up till now, China has signed the Belt and Road cooperation agreements with 80 countries and organizations, conducted institutionalized cooperation on industrial capacity with over 30 countries, and built 75 overseas economic and trade cooperation zones in 24 countries under the Belt and Road framework. Chinese enterprises have invested over 50 billion US dollars and created near 200,000 local jobs in the countries along the Belt and Road.

The theme of this year's Davos Forum is "Creating a Shared Future in a Fractured World," resonating with the idea of building a community of human destinies. The "Belt and Road Initiative" conforms the trend of the times and adapts to the law of development. It is in line with the interests of the people of all countries and is a vivid practice of the concept of the community of common destiny.

The 21st Century Maritime Silk Road & Malaysia

Situated at the key communication line along the 21st century Maritime Silk Road, Malaysia is an important country along the route. It is also one of the earliest and most responsive countries to the Belt and Road Initiative, as well as one of the countries harvest most abundant fruits at the early stage of the Initiative.

In terms of trading, Malaysia has been China's largest trading partner in ASEAN countries for eight consecutive years, while China is Malaysia's largest trading partner. The trade value between the two countries has reached the level of 100 billion US dollars. In the future, the two countries will further explore the potential of trading, promote trade liberalization and facilitation, open up new areas aiming to achieve trade value of 160 billion US dollars.

In terms of investment, with the construction and production capacity cooperation of The Belt and Road Initiative, Chinese enterprises have gained momentum in Malaysia. Six flagship projects of "One City, Two Parks and Three Railways" have now been developed in the Peninsula Malaysia. One City refers to Bandar Malaysia, which is a 150 billion Ringgit project of building an above and underground linked transport hub and regional economic center in central Kuala Lumpur. Two Parks refers to the Malaysia-China Kuantan Industrial Park in the east coast and the Malacca Gateway and Maritime Industrial Park in the west coast of Peninsula Malaysia. Three Railways

refers to the three major railway projects linking north and south in the Peninsular Malaysia, namely the Malaysia Southern Railway, the Eastern Coast Rail Link, and the Kuala Lumpur-Singapore High Speed Rail.

In terms of finance, large commercial banks such as Bank of China, Industrial and Commercial Bank of China, and China Construction Bank have entered Malaysia and a RMB clearing bank was established in 2015. In the future, more Chinese-funded banks will come to Malaysia to provide financial support for the large-scale economic and trade cooperation between the two countries.

At present, Malaysia's vision of development is highly compatible with the Belt and Road Initiative of China in the fields of infrastructure and economic transformation. The Belt and Road Initiative will bring great advantage to Malaysia in the global market competition, and will serve as a powerful economic engine to stimulate Malaysia's potentials. It is believed that there will be closer links and more frequent personnel exchanges between the two countries, with the continuous development of the Belt and Road Initiative.

The prospects for deepening the pragmatic cooperation between Sabah and China are bright

Sabah is the nearest place to China in Malaysia. Against the backdrop of China-Malaysia friendship and the boost of the Belt and Road Initiative, China and Sabah also see closer cooperation and fruitful results in the fields of economy, trade, local governmental exchanges, and personnel exchanges, etc.

In terms of economy and trade, Sabah becomes an attractive destination for Chinese enterprises. China State Construction Engineering Corporation, China Railway Engineering Corporation, China Railway Construction Corporation Limited, Guangdong Guangken Rubber Group Corporation Limited, Sinohydro Group Limited and other State-owned enterprises have stationed in Sabah. Large enterprises such as China National Complete Plant Import & Export Corporation and Huawei have signed cooperation memorandums with local partners. At present, major projects involving Chinese companies' participation include: Sipitang Industrial Fertilizer project, Regional Information, Communications and Technology Hub, 50megawatt Utility-scale PV plant, Guangdong Agribusiness Rubber Plantation ,maritime fisheries and International Convention Center projects. Cooperation areas are chemical industry, energy, communications, planting, tourism, hotel, maritime fisheries and other industries. Recently, two companies from China and Malaysia signed a contract to plant 100 thousand durians in sabah. The engagement of Chinese enterprises brings fund, technology and other resources to related projects, creating more local jobs and boosting the vitality of local economy.

In terms of local governmental exchanges, Kota Kinabalu has signed sister-city MOU with cities in China such as Heyuan, Jiangmen, Wuhan and Hangzhou. Pragmatic cooperations have been carried out under the MOUs. University of Sabah and Wuyi University in Jiangmen signed a Letter of Intent, making commitments to strengthen research and education programs, teacher-student exchanges and cooperation between the two sides. Wuhan Yangtse River Automobile Group signed a contract with the Sabah-based Green Energy Company to cooperate in promoting the electric sightseeing buses.

In terms of people-to-people exchanges, tourism is the highlight of win-win cooperation. Sabah is one of the most popular tourist destinations for Chinese tourists. The number of Chinese tourists reached 430,000 in 2017, an increase of 15% compared to 2016. Currently there are as many as 95 direct flights weekly between Kota Kinabalu and cities in China. Two weeks ago, Xiamen Airlines launched a direct route between Beijing, China and Kota Kinabalu. I believe there will be more direct flights in the future, which will attract more Chinese tourists to visit this beautiful "Land Below the Wind".

The SDC programme started to implement 10 years ago, focusing on the development of oil and gas energy, palm oil industry, agriculture, tourism, logistics, manufacturing, education, etc., to improve the quality of peoples' life by accelerating economic growth, promoting regional balance and bridging the rural-urban divide while ensuring sustainable development. It provides a good opportunity for Sabah to participate in the construction of the Belt and Road. In the course of creating a better future, China is willing to take an active part in the construction and connectivity of transport, infrastructure, energy and other hardware facilities, and promote more projects to be launched. China is willing to actively promote cooperation in production capacity, jointly build logistics, power and information channels, and enhance the capacity of independent development of Sabah. China would like to use the "Belt and Road" technology innovation action plan to build an online Silk Road and a digital silk road.

The Chinese government firmly supports trade liberalization and economic globalization and takes the initiative to open up the market to the world. Over the next 5 years, China will import more than 10 trillion U.S. dollars of goods and services, providing a historic opportunity for Sabah enterprises to enter the Chinese market. In November this year, the first China International Import Expo will be held in Shanghai, which will improve international trade and economic cooperation and promote global trade and world economic growth. The Chinese government sincerely welcomes Sabah enterprises to participate in the Expo, expand the Chinese market, and export more high-quality and featured products to the Chinese market. It is believed that the Expo will become as a new platform for promoting the development

of economic and trade relations between the two places.

We look forward to the active participation of all sectors in Sabah, docking the Sabah Development Corridor Program with the Belt and Road Initiative, looking for bilateral interests, and exploring more areas for cooperation so that the people of Sabah and Sabah will enjoy real benefits. It is believed that with the support of the government policy level and the concerted efforts of all sectors of society, we will surely achieve the grand goal of win-win cooperation by building a Maritime Silk Road.

In closing, I wish the conference a complete success! Thank you all!