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# Current and Future of Korea-Malaysia Relations

- ROK · Malaysia Round Table Speech -  
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## Introduction

Yang Berbahagia Tan Sri Mohamed Jawhar Hassan,  
Chairman & CEO of ISIS Malaysia

H.E. Ambassador Yim Sung-joon,  
President of Korea Foundation

Distinguished participants,

Ladies and Gentlemen,

I am deeply honored to join you at this meaningful occasion.

First of all, let me extend my sincere thanks to President Yim Sung-joon and members of Korea Foundation and Yang Berbahagia Tan Sri Chairman Mohamed Jawhar Hassan and members of ISIS Malaysia, for arranging this wonderful gathering.

This round table comes at a right time, I believe, because next year marks the 50th anniversary of the establishment of diplomatic relations between our two countries.

Taking it into account, first, let us reflect on the key aspect of our shared past. After that, I would like to touch upon some positive elements and important task we face for our brighter future.

## **Current Status**

First, let us review the past 50 years.

In a nutshell, it can be defined as "era of mutually beneficial partnership" in the midst of unprecedented economic growth thrust of our two countries. During that period, our two countries have jumped up to the top notch of the developing countries, and now both countries are gearing up to join the developed country status in the future.

Meaningful and substantial economic cooperation between our two countries had begun with former Prime Minister Tun Dr. Mahathir's "Look East Policy" in 1981. It was this new paradigm-shifting national policy that enabled the two countries to help each other in their different-staged economic growth process.

"Flying Geese Growth Model" describes our economic growth partnership best. As a fore-runner, Korea was one of the four tigers who made rapid economic growth starting from 1970s and Malaysia as follower, had begun to catch up with it since 1980s. In that process, our economic cooperation has rapidly increased.

Trade volume of two countries had increased from US\$ 460 million in 1979 to US\$ 15.7 billion last year, which makes Korea the 6th largest trading partner for Malaysia.

In terms of investment, Korea is the 8th largest partner for Malaysia. Until last year, Korea's investment in Malaysia has recorded US \$3 billion.

Samsung as the largest Korean investor has been in Malaysia since 1989, running its second largest overseas electronic manufacturing complex after the one in China.

Also construction market is one of the very important sectors in our two countries' economic cooperation. The total numbers of orders received by Korean companies as of February 2009 were 180 projects which amounted to around US\$ 8 billion. As you may be aware, President Lee Myung-bak was the CEO of the Hyundai Construction Company which won the Penang Great Bridge project in 1981. And one of the Petronas twin Tower, the world-famous Malaysia landmark was built by Samsung Engineering.

In these days our economic cooperation has been evolving into more value-added service and high-tech industries.

First, financial market. Woori Bank and Woori Investment and Securities have each opened a Representative Office in Kuala Lumpur, and Daewoo Securities also has formed strategic alliance with CIMB in the globally leading Malaysian Islamic finance since last year.

Second, tourism industry. Malaysia Berjaya Group joined US\$ 1.8 billion Yerae Recreational Resort and Housing Complex project in Jeju Island in Korea. Malaysia is far ahead of Korea in the tourism industry. Last year, 22 million tourists visited Malaysia while 7 million for Korea. In terms of accommodation facilities, Malaysians has over 2,360 while Koreans meager 689. Korean tourism industry has a lot of things to learn from the Malaysian counterpart.

Third, High-Tech Industry. Samsung Electronics and Malaysian YTL E-Solution contracted to develop the Wimax Service in Malaysia. Korea Bio-technology Research Center and Malaysian Bio-tech Corp. concluded a MOU to expand their cooperations recently.

## **[Cultural and People-to-People Exchange]**

Another conspicuous phenomenon which deserves our attention is that our cultural, people-to-people exchange has been booming.

For the past 10 years, the number of travellers between our two countries has noticeably increased for both ways. The number of Koreans visiting Malaysia was around 21,700 in 1998. This number has increased by over 12 times to nearly 270,000 in 2008. Malaysian visitors to Korea are also an increasing trend. Last year alone, over 83,000 Malaysians visited Korea which is twice the number of Malaysian visitors ten years ago.

Korea's popular culture known as "Hallyu" or "Korean Wave" has been a big hit in Malaysia in recent years. The success of Korean dramas such as "Winter Sonata" and "Jewel in the Palace" was soon matched by Korean movies and pop songs. It is not unusual to see local TV channels run Korean dramas everyday. Even a local newspaper recently reported that Korean cartoon has also become one of Malaysian youths' favorites.

### **Future Directions**

Ladies and gentlemen,

Now let us turn to our future. Our future partnership will be more comprehensive and cooperative. I dare claim it based on three positive points:

First, in the past 50 years, we have successfully laid a firmer foundation for that. Notwithstanding the afore-mentioned practical cooperative partnership in the economic area, we share the 21st century's predominant value: peace, democracy and market economy, and also both governments have been working together closely in regional and international institutions such as UN, ASEAN, APEC, etc.

Especially, the Malaysian government has unequivocally and consistently upheld the denuclearization, peace and stability on the Korean Peninsula. Last May when North Korea conducted underground nuclear test and launched long-range missiles, the Malaysian government has expressed grave concern over the provocative actions and strongly urged North Korea to desist from conducting further tests and to return to the six party talks furthermore. Prime Minister Dato' Sri Najib publicly expressed strong support for the joint press statement on North Korea's nuclear issue made during the ASEAN-ROK Commemorative Summit early last June.

Second, the international and regional trend reinforces stronger ties in the future between our two countries. Without doubt, Asia will become a centre of the global economy in this millennium and also it is true that ASEAN is and will be playing a central role in the integration movement of the East Asia region.

With the association becoming a single community by 2015, ASEAN will show its enormous influence over regional economic, political and security cooperation on the foundation of greater integration. In addition with recent completion of ASEAN-ROK FTA, it is expected that the investment and trade within the region will be increased and people to people exchange will also be further excelerated.

Also Korea and Malaysia played leading roles in the process of establishing and developing ASEAN+3 and EAS.

Third, Korea's and Malaysia's new policy initiatives will work positively toward better future. President Lee Myung-bak announced "New Asia Initiative" last March. It targets to lift up the overall relations with Asian countries including Malaysia to a higher level while enhancing substantial cooperation. Concrete policy measures includes provision of tailor-made

economic development assistance, dramatic expansion of ODA, strengthening substantial economic cooperation through customized measures with building FTA networks. Moreover, Korean government will work on operationalizing the 120 billion USD Chiang Mai Initiative Multilateralization (CMIM) fund by the end of this year. In addition, Korea will actively participate in regional cooperation that aims to utilize Asian financial resources to develop the Asian Bond Market, increase capital for the Asian Development Bank, and improve regional response mechanisms to cope with financial crisis.

On the other hand, Prime Minister Dato' Sri Najib puts priority to strengthen relations with North East Asian countries. After his inauguration last April, He visited Korea to attend ASEAN-ROK Commemorative Summit and right after that, went to China early last June.

Also Dato' Sri Najib expressed his wishes to expand senior official exchanges with ROK which would add to the momentum of elevating the level of relations.

Within less than four months after that, Minister of Works, Minister of Science, Technology and Innovation, Minister of Defense and Minister of Energy, Green Technology and Water have visited Korea. And later this month, the Chairman of National Economic Advisory Council will visit Korea. The current flow indicates that the Malaysia government places great importance to the northeast Asian countries as a cooperative partner in sharing their vision.

On top of that, we are looking forward to Prime Minister Najib's visit to Korea as well as President Lee Myung-bak's visit to Malaysia sometime next year to strengthen our relationship on the occasion of Korea-Malaysia 50th anniversary of bilateral relations.

There is another perfect match of policy initiatives taken by our two leaders which can lead us to diversifying and deepening our economic ties in the future.

President Lee Myung-bak has put up new national development vision; "the Low-Carbon and Green-Growth policy". It is a bold and innovative strategy to catch two birds with one stone. It aims to overcome the current global financial crisis through the green growth stimulus package. Also "the Low-Carbon and Green-Growth" is the policy to set pro-environmental industries with green technology as new-growth engine of our future. There are four target areas: first, escaping from fossil-fuel dependence on energy; second, making new growth momentum of green technology and industry; third, green movement on traditional industry and spreading of green management; fourth, activation of green financing.

On the other hand, Malaysia has concentrated on developing the renewable energy industry by way of "Outline Perspective Plan(OPP3)" and "The Fifth Fuel Policy and Eight Malaysian Plan", and Malaysia has endeavored in developing bio-technology with the aim of establishing "South-East Asia Bio-Technology Hub" by implementing "National Bio-Technology Policy for the year 2005 to 2020.

Moreover, Prime Minister Dato' Sri Najib recently announced 'Malaysian Green Technology Policy', emphasizing that "the time has come for Malaysia to 'go green' ". This new policy, which is very similar to Korea's Low-Carbon and Green-Growth policy', is designed to develop Green Technology as a new driver for economic growth of Malaysia as it offers enormous opportunities and immense potential in economic regeneration, innovation and wealth creation.

## **<the Important Task : Institutionalization >**

Ladies and Gentlemen,

Before closing, I would like to highlight the most important task we have to tackle to realize our vast future potential: Institutionalizing our relations.

It was a certain degree of disappointment for me to find out there are few institutions upon which representatives of government, business and other areas of our two countries regularly interchange officially and unofficially. In my experience of 30 year-long diplomatic service, the existence of various governmental and civilian institutions is one of the most important means for the stronger and long-lasting bilateral ties. In this context, I do insist that institutionalizing private and public sector between our two countries is the most important and urgent task for the future.

In the private sector, establishment like Korea-Malaysia Business Council, is necessary to support and facilitate closer economic ties. In this regard, I would like to take this opportunity to extend my warmest congratulations on the launching of the Korea Chamber of Commerce in Malaysia (KOCHAM) on 25th November 2009. KOCHAM is the first Korean business organization in Malaysia which represents the business community of Korea in Malaysia and, being the non-governmental economic entity, it will become an important link to the Korea-Malaysia bilateral economic relations. I hope that many Malaysian companies would support and join KOCHAM's activities in Malaysia.

For the G-to-G, we need to establish regular exchange channel such as "Energy and Resources Cooperation Committee" and "Science and Technology Cooperation Committee", etc. Through those kinds of institutions, government



officials, experts and academia could actively communicate and develop opportunities of mutual interests.

We have favorable conditions for institution building. The image on each other is quite friendly and favorable. Malaysians speak highly of Korean's resilience: outstanding performance in manufacturing, football and golf, films and dramas, etc. Koreans also harbour good feelings about Malaysia: kind people, rich natural resources and beauty of nature. Malaysia's Look East policy, Korean wave and increasing interchange of people have affected the formulation of that positive image. Also we share the can-do spirit: Korea's Saemaul spirit and Malaysian's "Malaysia Boleh" are the impeccable impetus to make Han River Miracle or Malaysia Miracle respectively.

Bearing all these in mind, let's start to work on this important task immediately. Next year is the most viable and ideal time to do it.

I can assure you that together with my colleagues in my office and Korean business and civilian leaders in Malaysia I will do whatever I can do. I strongly encourage Malaysian friends to join us in this important undertaking. Thank you very much for your attention.

Terima Kasih!

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