

Headline	Strong Trade Relationship between Two Nations		
MediaTitle	New Sunday Times		
Date	26 Feb 2017	Language	English
Circulation	74,711	Readership	240,000
Section	Supplement	Page No	9
ArticleSize	712 cm ²	Journalist	N/A
PR Value	RM 73,347		



Strong Trade Relationship between Two Nations

MALAYSIA and Saudi Arabia have enjoyed strong bilateral ties, including trade and economic relations, since the inception of its diplomatic relations in the early 1960s.

Saudi Arabia is Malaysia's 19th largest trading partner globally, with a total trade of RM13.12 billion in 2016. Of this, Malaysia's exports to Saudi Arabia amounted to RM3.15 billion, and imports amounted to RM9.97 billion.

Malaysia's biggest exports to Saudi Arabia in 2016 were palm oil and palm-based products; machinery, equipment and parts; processed food; electrical and electronic products and the manufacture of metal, while our biggest imports from Saudi Arabia were chemicals and chemical products, crude petroleum and petroleum products, as well as the manufacture of metal and plastics.

As Malaysia's Top 20 trading partner globally, it is crucial for Malaysia to maintain and improve bilateral economic and trade relations with Saudi Arabia.

The Malaysian Government will sign a Memorandum of Understanding (MoU) on Economic Cooperation with the Government of Saudi Arabia during the state visit of King Salman Abdulaziz Al-Saud.

The International Trade and Industry Ministry also anticipates a growth in trade with Saudi Arabia this year, as the country is embarking on its National Transformation Plan and Vision 2030, through which the Saudi Arabia government is seeking to accelerate economic diversification.

Malaysia hopes to export not only goods but expertise in the manufacturing and services sector into Saudi Arabia.

Malaysia's strategic location in the heart of Asean also serves as a regional hub for Saudi businesses who wish to expand into Asean. Besides its location, Malaysia's pragmatic and business-friendly policies offer many

advantages to Saudi businesses.

There is great potential for Malaysian companies to invest in Saudi Arabia, particularly in the services sector such as construction and infrastructure developments, ICT, oil and gas, facilities management, ports and airports management, Islamic financial services, healthcare and in tourism.

Saudi Arabia is also the heart of the Middle East North Africa or MENA region, which is home to more than 400 million population. It is ranked 49th out of 189 countries for the overall "Ease of Doing Business" according to the International Finance Corporation/ World Bank's 'Doing Business' report in 2015.

Besides this, the country has the world's largest oil reserves and a wealth of metal deposits. Its good location puts it in easy access to European, Asian and African markets, and the Saudi market is known for its high purchasing power and continuous expansion.

It is one of the fastest growing countries worldwide, with per capita income forecast to rise from US\$25,000 (RM100,056) in 2012 to US\$33,500 (RM134,051) by 2020.

The halal industry is an area of huge potential for both countries. The global halal market, is among the fastest growing businesses in the world, and is estimated at UD2.3 trillion a year, with the halal food sector alone accounting for US\$610 billion annually.

According to the ministry, it was proposed that Malaysia be made into the distribution hub for Asean and Saudi Arabia made into the distribution hub for the Gulf Cooperation Council (GCC) and MENA markets.

This is an area where both countries can share resources to develop capabilities to be the producer of halal products, where halal can be a significant contributor to the economies of both nations.

Another area of importance is in the transfer of technical expertise. Malaysia, through its investments

and participation in numerous projects across Saudi Arabia, has supplied the country with many Malaysian engineers and professionals, mainly in the technical, oil and gas and construction fields.

There are also about 1,097 Saudi Arabian students studying in Malaysia.

Malaysia is looking forward to participating in the country's Vision 2030. Currently, there are several Malaysian companies undertaking major development projects in the country, in both services and manufacturing.

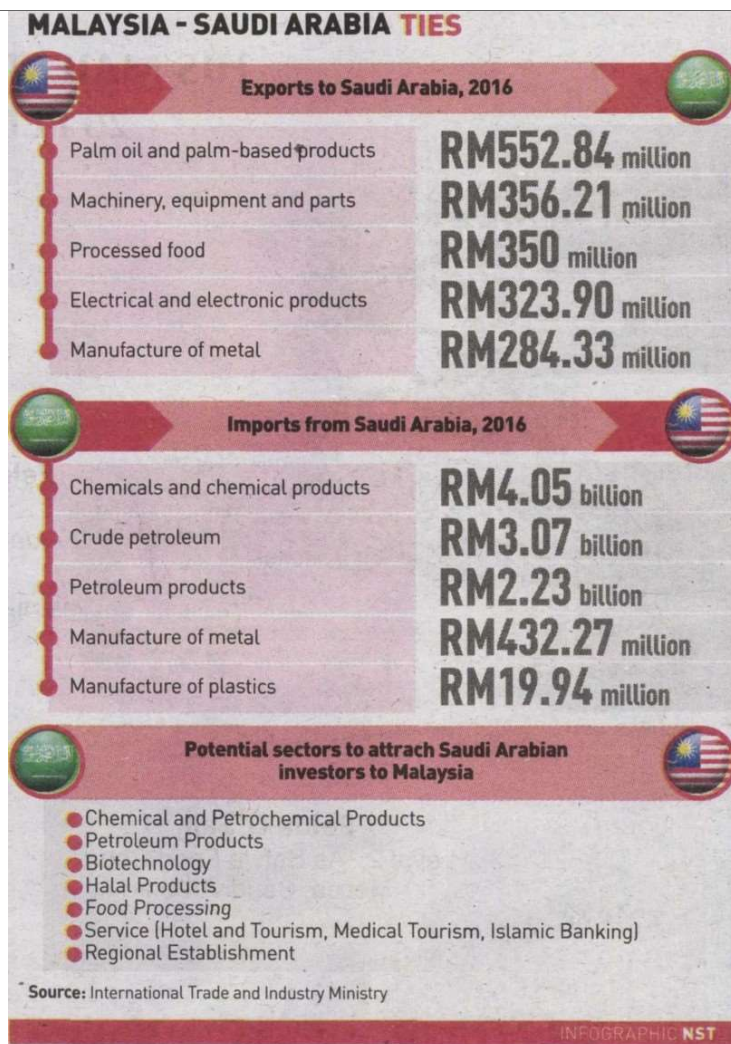
These include: a consortium of companies comprising Khazanah Nasional, Tenaga Nasional Bhd and Malakoff for the Shuaibah Independent Water and Power Project, which is currently one of the largest combined power and water plants in the world.

Other companies include the Dialog Group Bhd which is involved in contracting, constructing and maintenance for an industrial project in the eastern province; KHM Saudi Ltd in the manufacture, fabrication and construction at their facility in Jubail Industrial City; and PRIME KSA, that has contracts for operations and maintenance by the Makkah Public Transport Programme (MPTP) Metro in Makkah.



The Al Mashaaer Al Mugaddassah Metro Southern line is an example of how Malaysian expertise is valued in Saudi Arabia.

Headline	Strong Trade Relationship between Two Nations		
MediaTitle	New Sunday Times		
Date	26 Feb 2017	Language	English
Circulation	74,711	Readership	240,000
Section	Supplement	Page No	9
ArticleSize	712 cm ²	Journalist	N/A
PR Value	RM 73,347		



Saudi Aramco is one of Saudi Arabia's largest state-owned companies, dealing in the production and manufacture of crude oil, natural gas and petroleum products.