

Islamabad's Informal



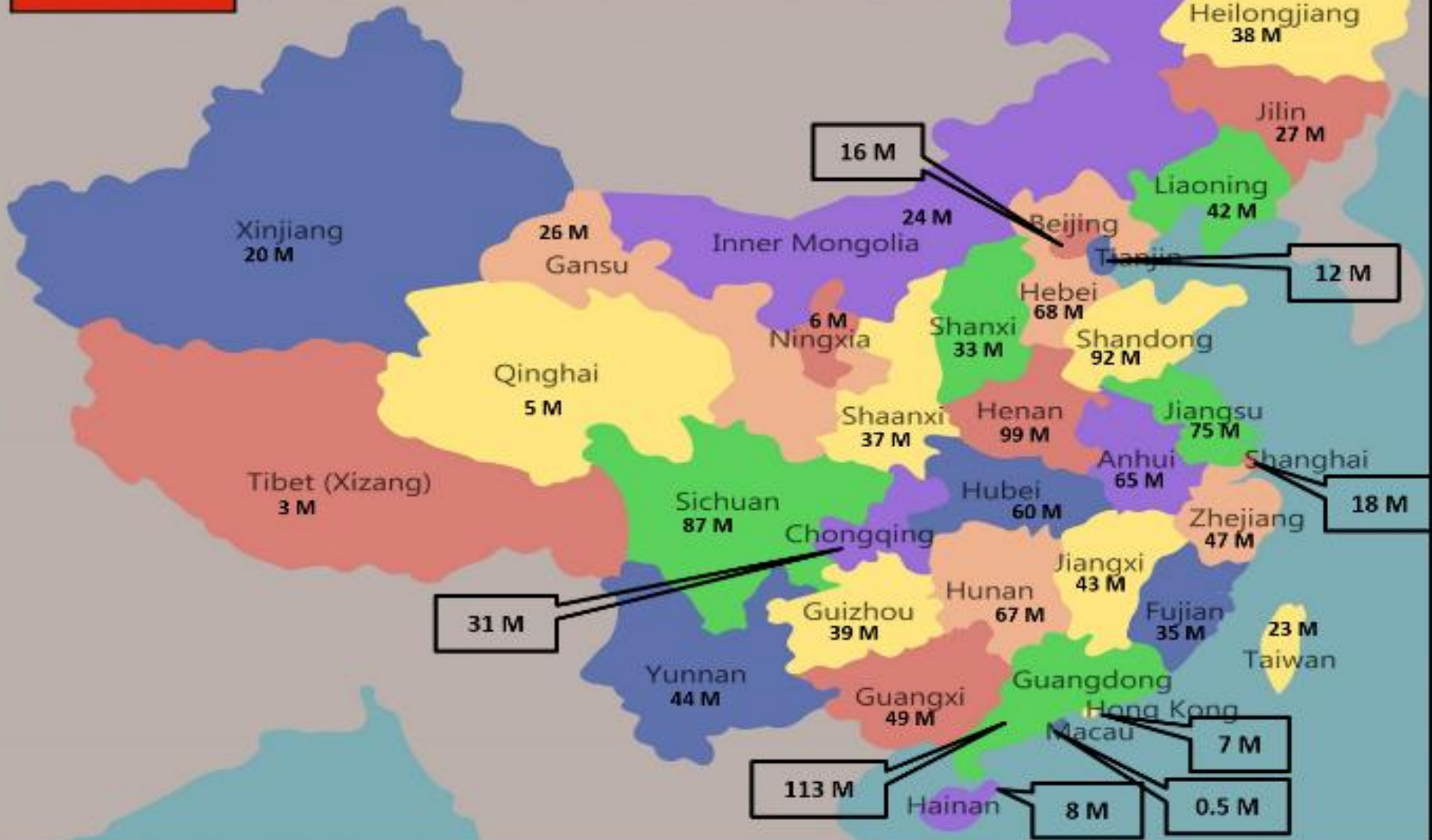
**CHINA**  
**STUDY CIRCLE**



Twenty Fifth Session



# POPULATION MAP OF CHINA





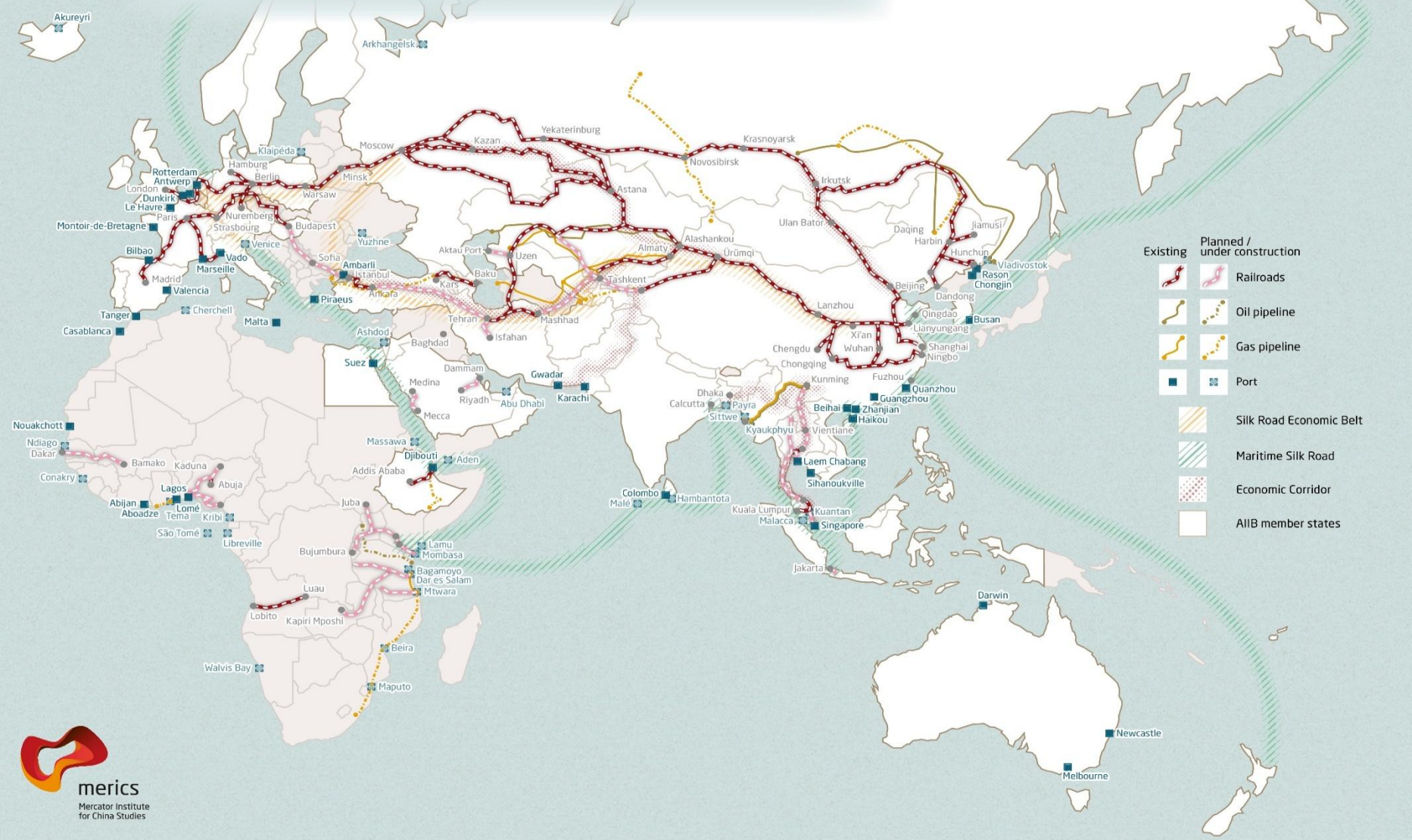
# China Belt and Road initiative projects in Malaysia

**Neelum Javed**





**The Belt and Road Initiative creates a global infrastructure network**  
China uses, acquires and builds railroads, ports and pipelines



- China has emerged as the biggest economic actor in the South East Asia region.
- Beijing has viewed Malaysia as a crucial stop along its “maritime Silk Road”.
- Belt and Road Forum (BRF) held in Beijing in May 2017, yielded a total of nine memorandums of understandings (MoUs) and agreements signed between Malaysian and Chinese companies.

- Among the major projects under the initiative is the Malaysia-China Kuantan Industrial Park in Pahang, Melaka Gateway, East Coast Rail Link and Xiamen University Malaysia.
- These agreements were mostly trade based and boasted a total value of US\$7.22 billion or RM31.26 billion.
- China's Belt and Road' initiative will impact industries, businessmen, farmers and even students in Malaysia.

[Source:https://www.beltroad-initiative.com/projects/](https://www.beltroad-initiative.com/projects/)





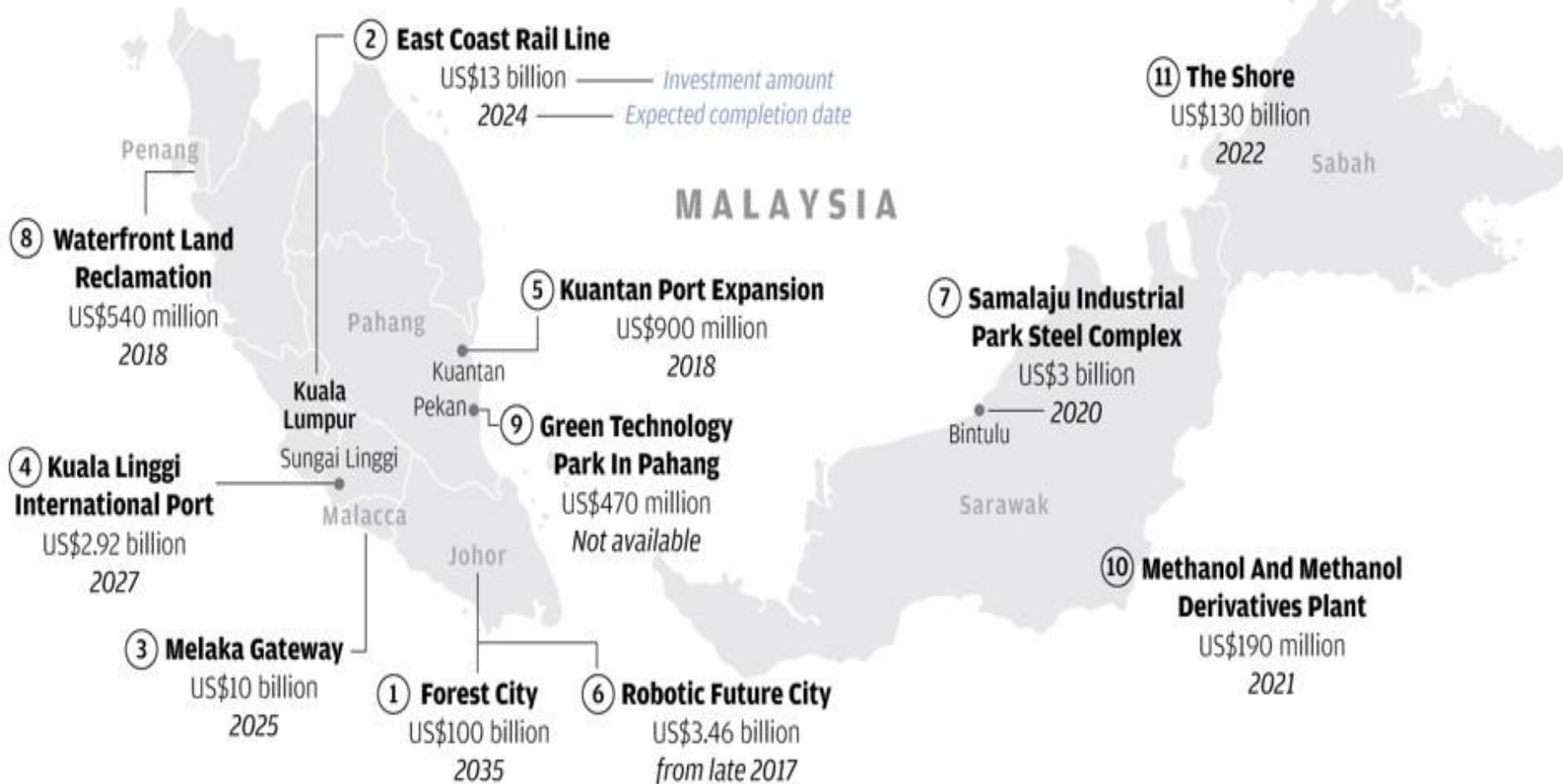
Project	Country	Type
<a href="#"><u>Forest City</u></a>	Malaysia	Urban
<a href="#"><u>Melaka Gateway</u></a>	Malaysia	Urban
<a href="#"><u>East Coast Railway</u></a>	Malaysia	Transport
<a href="#"><u>Gemas-Johor Bahru Railway</u></a>	Malaysia	Transport

[Source:https://www.beltroad-initiative.com/projects/](https://www.beltroad-initiative.com/projects/)



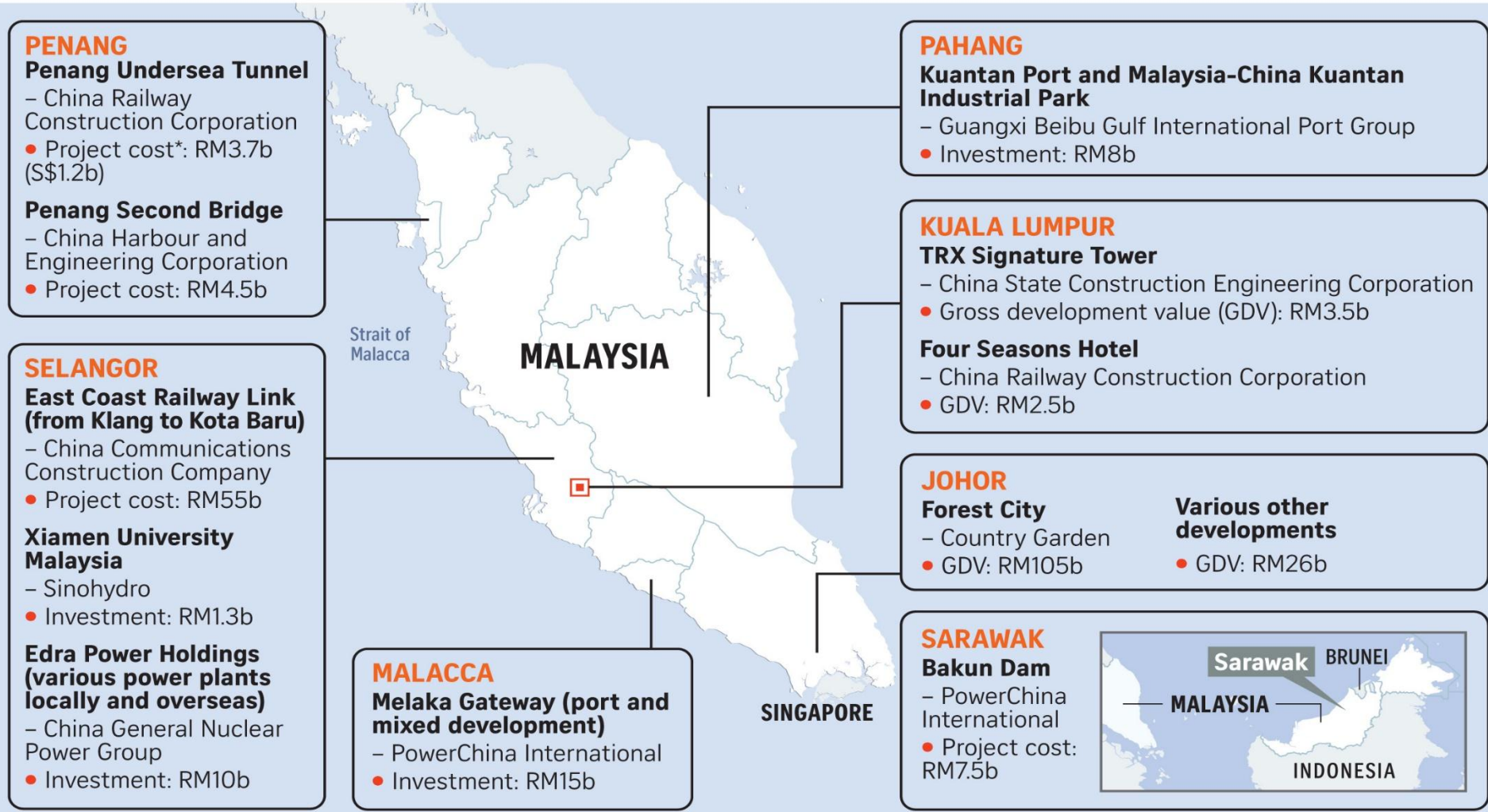


Chinese investment projects in Malaysia



- |  |   |                            |           |
|--|---|----------------------------|-----------|
| ① Johor state  | ④ Near the river-mouth of Sungai Linggi | ⑦ Bintulu, Sarawak         | ⑩ Sarawak |
| ② Connecting East Coast with Kuala Lumpur                | ⑤ North of Kuantan City                 | ⑧ Penang                   | ⑪ Sabah   |
| ③ Off-shore development of artificial islands in Malacca | ⑥ Johor state                           | ⑨ Pekan district of Pahang |           |

# Some China projects and investments



NOTE: \*Values list the project cost or investment, but some use gross development value (GDV)

SUNDAY TIMES GRAPHICS



## Forest City - A New Global City

Forest City, is an iconic and extensively scaled project, a smart and intelligent city located near second link bridge of Iskandar Malaysia and adjacent to Singapore, making it a global destination. Spanning an area of 13.86 square kilometers stands 4 man-made island. Where urbanism and sustainability form an equilibrium, creating a dynamic, highly efficient and fulfilling international community.

### Phase 1

1. Transportation Hub
2. Sales Gallery
3. Coastal Commercial Street
4. Grand Coastal Forest City
5. Coastal Residence
6. Coastal Villa



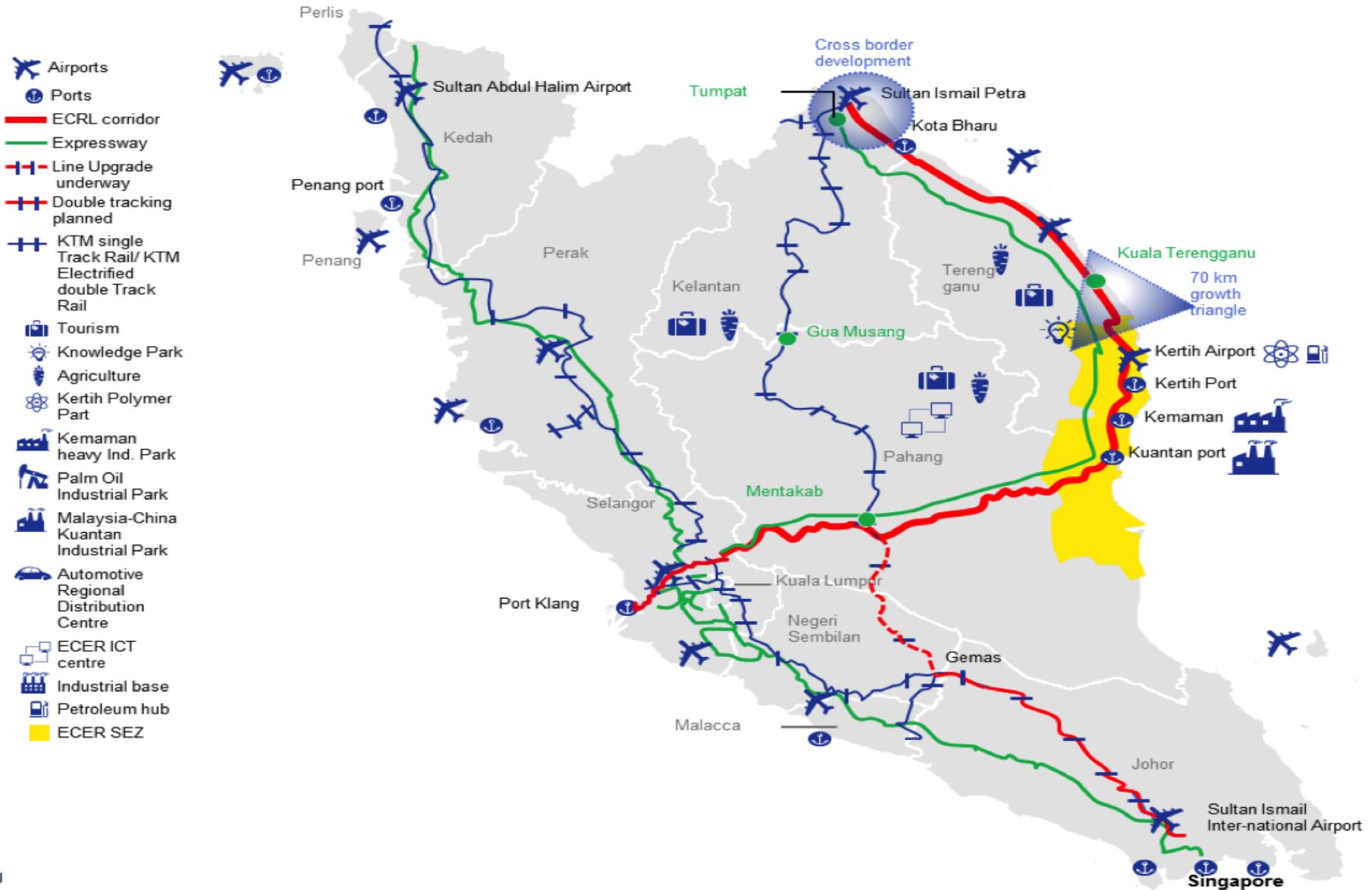


- KAJ Development Sdn Bhd is a wholly privatized Malaysian company, and developing Melaka Gateway project since 2014.
- “Melaka Gateway is a unique regional catalyst project, and the revenue growth potential for the initial investors is substantial.” Keith Martin, Managing Director, PwC Singapore.
- Melaka Gateway project comprises an ‘investor-friendly’, ‘industry-led’ development strategy; promoting Tourism, Lifestyle, SMART-City initiatives, Commercial & Business developments, Deep Sea Port, and a Maritime Industrial Park, all of which will generate significant economic impact for Melaka & its people.
- Transforming the Melaka State economy from a predominantly ‘weekend’ economy, to a ‘365 day’ economy.

## Railway electrification in Malaysia

- **Railway electrification in Malaysia** is a relatively recent development of rail transport in Malaysia.
- The term "railway electrification" mainly refers to the project to electrify the Keretapi Tanah Melayu's West Coast Line from Padang Besar to Johor Bahru, combined with the duplication of the single-track line and the elimination of level crossings. As of November 2015, the stretch between Padang Besar and Gemas has been completed, with two electrified train services operating on the stretch: the KTM Komuter and the ETS.
- Rapid transit and monorail systems in Malaysia are relatively new (the first of which is the Ampang Line on 16 December 1996); they are designed and built fully electrified and grade separated from the start.

Source: <https://www.beltroad-initiative.com/projects>



## The East Coast Rail Link (ECRL)

The **East Coast Rail Link (ECRL)** was a planned standard gauge railway link infrastructure project connecting **Port Klang on the Straits of Malacca to Pengkalan Kubor in northeast Peninsular Malaysia**, connecting the East Coast Economic Region states of Pahang, Terengganu and Kelantan to one another and to Peninsular Malaysia's west coast and Central Region.

The railway link infrastructure project would have carried both passengers and freight from the West Coast of Peninsular Malaysia to its East Coast and vice versa.

Construction began in August 2017. On 3 July 2018, Malaysia Rail Link Sdn Bhd (MRL) instructed China Communications Construction to suspend all works under the engineering, procurement, construction and commissioning contract (EPCC) of the ECRL project.

Source: <https://www.beltroad-initiative.com/projects/>

## Malaysia's East Coast Rail Link



Source: SPAD.GOV.MY STRAITS TIMES GRAPHICS



- **East Coast Rail Link** will be built and financed by China, the 688 km (430 miles) East Coast Rail Link will connect the South China Sea in the east coast of Peninsula Malaysia with strategic shipping routes in the west and is a major part of China's infrastructure push across Asia and beyond.
- Soon after his election victory last May, Mahathir had said the 688km rail link – to have cost some 55 billion ringgit (US\$13 billion) – needed to be cancelled because it was unnecessary and too expensive given the huge sovereign debt his predecessor Najib Razak had saddled the country with.



- Malaysia's Eastern Coast Rail Link is a major section of the economic corridor that is expected to link Kunming to Singapore in the long run. It is necessary that China and Asian countries strengthen their cooperation to ensure the development of these projects.



*Bilateral trade (2017)*



- China has been Malaysia's largest trading partner since 2009
- Sino-Malaysia trade (US\$96 billion) accounted for 18.7% of total trade value between China and Asean

Source: China's Ministry of Foreign Affairs

*Malaysia's foreign direct investment by source in 2017*

Sources of FDI	US\$ (billion)	Share (%)	Change (%) (2013/17)	Contri to FDI growth (%) (13/17)
Singapore	5.15	15.5	36.1	15
Netherlands	3.35	10.1	21.6	6.6
Japan	3.06	9.2	-11.6	-4.4
US	2.9	8.7	41.5	9.4
Hong Kong	2.7	8.1	1.1	0.3
<b>China</b>	<b>2.36</b>	<b>7.1</b>	<b>349.6</b>	<b>20.2</b>
Britain	1.66	5	484.1	15.2
Germany	1.65	5	138.4	10.6

Note: Total FDI into Malaysia grew US\$9.1 billion from 2013 to 2017. China alone contributed to 20.2% of that growth.  
Source: DBS bank

- China is ranked as the largest foreign investor in Malaysia's manufacturing sector from January to June 2018, with investments of US\$1.6 billion (RM6.7 billion).
- The Malaysian Investment Development Authority (Mida) said China also came up top in 2017 and 2016, with investments totalling US\$949.4 million and US\$1.1 billion, respectively.
- Mida Chief Executive Officer Datuk Azman Mahmud said the increasing investments from China into Malaysia in recent years was due to the Belt and Road Initiative (BRI) introduced in 2013.

**THANK YOU**

