

**ADDRESS BY THE HONOURABLE DATO' SERI SYED HAMID ALBAR,  
MINISTER OF FOREIGN AFFAIRS, MALAYSIA  
AT THE ROUND TABLE ON  
“50 YEARS OF DIPLOMATIC RELATIONS BETWEEN MALAYSIA AND  
THE NETHERLANDS: LESSONS LEARNT”  
TREATY ROOM, INSTITUTE OF DIPLOMACY AND FOREIGN RELATIONS  
(IDFR), KUALA LUMPUR, 21 FEBRUARY 2008**

**(DELIVERED ON BEHALF OF THE FOREIGN MINISTER BY:  
Y.BHG. TAN SRI RASTAM MOHD ISA  
SECRETARY GENERAL, MINISTRY OF FOREIGN AFFAIRS)**

Y. Bhg. Tan Sri Hasmy Agam,  
Excellencies,  
Ladies and Gentlemen,

1. Malaysians are still in the midst of celebrating our 50<sup>th</sup> Anniversary of Independence. I can confidently say that we at Wisma Putra have worked very hard the last 50 years to promote and defend Malaysia's national interests and ensure success in the conduct of our foreign policy. There are many challenges and opportunities that lie ahead. To meet them, we should also look at our past, appreciate it and benefit from the lessons learnt as we move ahead to the future.
2. This is what this Round Table is about. To commemorate and mark a significant milestone in the bilateral relations between Malaysia and the Netherlands, and more importantly, to reflect on it, the past developments and achievements and discuss together how we can continue to build upon that relationship, to direct and shape our diplomacy and both enhance as well as diversify our co-operation.
3. Let me congratulate the Embassy of the Netherlands, in particular the Ambassador, and Tan Sri Hasmy Agam, IDFR for this joint initiative. The support from various quarters for this event indeed reinforces the close and strong ties that exist between Kuala Lumpur and The Hague and at the people-to-people level of the two countries.

4. The historical links between Malaysia and the Netherlands date back to the 17<sup>th</sup> century. Dutch influence in Malaya began when the Dutch, a sea-faring power, took possession of Malacca from the Portuguese in 1641. When they handed over Malacca to the British in exchange for Bencoolen in Sumatra following the signing of the Anglo Dutch Treaty in 1824, the Dutch left behind their cultural mark; the Dutch Eurasian community, Dutch words in the Malay language and numerous heritage buildings. This Dutch connection is more clearly observed in Melaka today and where it continues to be an attractive tourism highlight.
  
5. Fifty years ago, the Netherlands was among the first few European countries that established diplomatic ties with a newly independent Malaya. In fact the Netherlands was among the 16 countries that first established diplomatic ties with Malaya in the beginning. Malaysia today has developed into a robust nation-state. The country is blessed with a vibrant economy and a society characterized by diversity in terms of ethnicity, language and religion. The process of Malaysia achieving a rich diversity can be traced back to the spice traders in the middle of the last millennium. This was followed by European influences, including the Dutch. It is worthy to note, that relations with the Netherlands which began through historical linkages had contributed significantly towards what Malaysia has achieved till the present.
  
6. Despite the geographical distance, Malaysia and the Netherlands share many similarities. The two countries are constitutional monarchies with a strong parliamentary system of Government. We are also among the world's leading trading nations despite being relatively small countries. Both Malaysia and the Netherlands are also multi-cultural and multi-religious and have managed to strike a healthy balance among the diverse groups and interests in our respective countries. In the process of nation building there are areas where issues, challenges and common concerns facing our societies could provide the basis for continuing co-operation. Malaysia and the Netherlands are therefore well placed to

build upon our past relationship and learn from our own individual experiences.

7. The Netherlands is one of Malaysia's important traditional trading partners. Since the year 2000, bilateral trade has increased almost 40% from RM17.81 billion in 2000 to RM24.79 billion in 2006. This had resulted in the Netherlands being Malaysia's second largest trading partner among the EU member countries. It is noteworthy that the Netherlands is an important destination for Malaysian exports into the European Union. Rotterdam continues to play the role of a thriving entreport centre due to its excellent port, and a highly developed road and rail network. In this connection, the Netherlands could assist Malaysia in getting better access to the European market. Malaysian companies should take advantage of the strategic location and establish the Netherlands as the springboard for further inroads into the now enlarged EU market.
  
8. It started with economics and today the ties between the Netherlands and Malaysia are still mainly driven by economics, by trade and by investment co-operation. The fact that there are considerable Dutch investments in Malaysia is also a testimony of the growing economic relationship between the two countries. From the year 2002 to 2006, Netherlands was the 5<sup>th</sup> largest source of foreign investments in Malaysia with total investments of RM6.0 billion in 76 approved projects. There are more than 60 companies with Dutch interests operating in Malaysia. They range from the electrical and electronics sector to natural gas, petroleum, food manufacturing, trading and services sectors. Among the notable Dutch companies are Shell, Dutch Lady, Unilever, Philips and ING Bank to name a few. More Dutch companies especially the small and medium sized enterprises and family-run businesses should be encouraged to invest in Malaysia. The proven track record of the Barisan Nasional Government and a stable political environment continue to attract foreign investments into Malaysia.

9. Bilateral economic ties have been boosted with the establishment of the Netherlands-Malaysian Business Council in the Netherlands in May 2005. This was preceded by the Malaysia-Dutch Business Council established in Kuala Lumpur in the year 1996. Both business councils can continue to play an active role in providing the impetus for greater collaboration between our two private sectors.
10. In the area of overseas investments, Malaysian companies have now started to invest in the Netherlands. A palm oil refinery known as Unimills BV valued at RM380 million was acquired by Golden Hope Plantations a few years ago. Similarly, IOI Corporation bought over an edible oil and fat manufacturer, Loders Croklaan BV worth RM814 million. With the encouragement of the Malaysian Government, more Malaysian entrepreneurs will seek to invest in the Netherlands to build further our economic linkages.
11. We note with great interest the many achievements of the Netherlands in the agricultural sector. The Netherlands as a modern and industrialised nation is also the world's second largest exporter of agricultural products and food. The success of the Netherlands has shown that even in the field of agriculture, what matters most is the value added achieved through new technologies, efficient logistics and transportation network and knowledge-based services. Dutch institutions of higher learning give prominence to horticulture professors. The Netherlands have also used ICT effectively in the outsourcing of tulip production. All these have helped in the success towards developing a modern agricultural sector.
12. Agriculture has been given top priority by Malaysia's Prime Minister and this is linked with the abundant availability of agricultural resources in this country. Co-operation in the agricultural sector is clearly an area where Malaysia and the Netherlands can further collaborate and leverage on the strength of each other.

13. Malaysia has identified biotechnology as an important driver of the country's development. It has launched an integrated National Biotechnology Policy, aimed at capitalising Malaysia's natural resources towards developing biotechnology for wealth creation and national well-being. Malaysia has made progress in the bio-technology sector with the development of downstream palm oil products as well as the development of products using bio-mass. In this regard, I am pleased to know that there is already some Malaysian-Dutch collaboration in this area known as the Global Chain Facility. I wish to encourage both the private sectors and also the agricultural research institutes to encompass research in aquaculture, fisheries and food production.
  
14. As Malaysia moves towards obtaining a developed nation status by the year 2020, it is essential that Malaysia develops a capable and knowledgeable workforce. In the field of education, there could be improved co-operation between the two countries. There is some existing collaboration between Malaysian universities, namely Universiti Sains Malaysia and Universiti Malaya, with Dutch universities. The Chair of Malay Studies at the University of Leiden was established in 1993 with the purpose of promoting the teaching of and research in Malay studies and literature.
  
15. Currently there is only a small number of Malaysian students studying in the Netherlands. We hope that more places could be provided for Malaysian students in science and technical fields such as ICT and agriculture biotechnology. Besides offering places of studies, the exchange of professors and students between Malaysia and the Netherlands will contribute towards and foster closer understanding between the people of the two countries. People-to-people exchanges at the youth level can also create a positive enhancement of understanding between each other's culture and values. All these in the long run will have a positive effect on trade and investment relations.

Excellencies, Ladies and Gentleman,

16. The world is increasingly faced with global issues and problems which require collective efforts at the regional and international level. Environmental issues, climate change, disaster relief, terrorism, cultural and religious misunderstanding are some of the issues that have become our central preoccupation.
  
17. The globalised world has resulted in the mobilisation of not only capital but also of people as borders and barriers continue to diminish. This has resulted in nations becoming increasingly diversified and plural in its society. European countries, including the Netherlands, have become home to many migrants with different ethnic and cultural backgrounds looking for improved economic opportunities. It is in this respect that Malaysia follows with concern the growing anti-Muslim sentiments and Islam-phobia which have slowly gained occurrence in the West. While Malaysia accepts the principle of freedom of expression, we feel that insensitive statements can result in unwelcome and sometimes deadly consequences resulting in violence, loss of lives and property. Inter-ethnic misunderstanding serves only to fuel hatred amongst people from different races and religions. The media has thus an important and responsible role to play in disseminating accurate information to help promote inter-cultural respect and also help counter extremism.
  
18. There is therefore a real need to build bridges between societies, to promote dialogue and understanding and forge a collective will in addressing and managing diversities of culture and religion. Inter-civilisational dialogue could assist in preventing suspicions and hostile perceptions from building up that can explode into violence and hatred. It is important to develop an understanding of how different religions are practised and how the influence of new ideas on one's culture, through globalisation affects societies. In efforts to preserve their identity among the different societies, groups of migrant populations are known to invariably cling to themselves which results in less interaction with the

society at large. In the end, it only serves to create more prejudices, misconceptions and polarisation. Tolerance and mutual respect is a great challenge for both our societies. In this regard, joint efforts between our think-tanks, Dutch and Malaysian, and relevant institutions to initiate seminars, workshops and conferences on inter-cultural and inter-civilisation dialogue should be encouraged and supported.

19. In looking at the current state of bilateral relations between Malaysia and the Netherlands, I would like to generally conclude that it is on firm foundation. There are certainly prospects to further strengthen and re-invigorate our fairly developed relations. While both our countries give strong priority to regional co-operation such as ASEAN for Malaysia and the European Union for the Netherlands, we could focus to develop certain specific areas for joint collaborative programmes.
20. As stated earlier, I would like to encourage companies and other institutions to intensify cooperation in the fields of agriculture, aquaculture, fisheries, bio-technology and information technology. We could also promote research and development in specific areas and undertake joint collaboration between universities and government R & D facilities.
21. In the development of the *halal* food industry, for example, Malaysia and the Netherlands could intensify cooperation in the *halal* food sector, *halal* certification as well as *halal* vaccines. The potential is promising. Apart from the Muslim market in the Netherlands itself, there is a sizeable Muslim *halal* market of some 30 million in Europe. The Netherlands could very well become Malaysia's gateway to reach that market.

22. Finally, let me reiterate the importance of today's Round Table, especially in the context of Malaysia's 50 years of independence and the celebration of Malaysia-Netherlands diplomatic relations. I have no doubt that the discussion during the Round Table would help in further appreciation and enrichment of our bilateral relations, looking ahead to the future while learning from the past.

Thank you.