

**To strengthen port connectivity and deepen bilateral cooperation to promote cooperation between ports of**

**China and Malaysia to a higher level**

**---Keynote speech at the second meeting of the China Malaysia port Alliance**

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Honorable Dato Sri Liow Tiong Lai, Honorable Tan Sri Kong Cho Ha, ladies and gentlemen:

Good morning!

First of all, I'd like to thank the Secretariat of China-Malaysia Port Alliance for your trust and support and arranging this keynote speech for Beibuwan port Administration Bureau of Guangxi, P. R. China. In July last year, at the first meeting of China-Malaysia Port Alliance held in Ningbo City of China, we delivered a speech on "work together to create a new situation for the development of port cooperation between China and Malaysia", introduced the overall situation of the ports of Guangxi Beibu Gulf from four aspects of "advantage and foundation, achievements and challenges, opportunities and development, cooperation and initiative", briefed results in cooperation with the ports of Malaysia and opportunities

and challenges of the next step of cooperation and put forward cooperation initiatives and proposals.

The past one year witnessed healthy, steady and sustained advance of the cooperation between ports of Guangxi Beibu Gulf and ports of Malaysia. We focus on the following aspects:

first, strengthen the construction of information platform of China-Malaysia Port Alliance. Organized by China Ports and Harbors Association, the related work of Web columns of China-Malaysia Port Alliance has been completed and information exchange platform for China-Malaysia ports has been Built. Second, efforts should be made to strengthen exchanges and visits between the ports of China and Malaysia. In conjunction with the Guangxi Beibu Gulf Port Group, we made a visit to Port Klang, Malacca, Kuantan of Malaysia to increase understanding and mutual trust. Third, strengthen the information connectivity of the ports of China and Malaysia. Under the leadership of the government of Guangxi, we carry out related work on the cooperation network of China-ASEAN ports in which phase 1 of logistics information center for China-ASEAN ports has been completed which has achieved a good result in logistics communication with the Malaysian port of Kuantan. Fourth, strengthen the construction of the project of “the 2 parks of China and Malaysia” and port cooperation. "The China-Malaysia Industrial Park" and “Malaysia-China Industrial Park "continue to advance gradually and work effectively. Besides, the first 150,000-ton deep-water berth of Kuantan will be put into operation by the end of 2017 and Qinzhou port - Kuantan port route will be opened.

Taking this opportunity, I would like to re-introduce the basic situation and recent development of the ports of Guangxi Beibu Gulf. The ports of Guangxi Beibu Gulf consist of Fangchenggang Port,

Qinzhou Port and Beihai port. The port administrative department is Beibuwan Port administration Bureau of Guangxi, P.R. China, while the Guangxi Beibu Gulf port operator is Guangxi Beibu Gulf International Port Group Limited whose infrastructure scale and cargo capacity accounts for more than 70% of the total in ports of Beibu Gulf.

Fangchenggang port endeavors to develop large bulk cargo transportation system and container transportation system; Qinzhou port mainly develops container transportation system and petrochemical transport system, while Beihai port builds the international passenger liner transport system, trade and clean materials transportation system.

After construction for years, the ports of Beibu Gulf boast a capacity of 200 million tons, capable of processing 4.23 million TEU, accommodating 260 berths among which 83 berths can each handle 10,000 tons or above, with a quay length of 36,603 meters.

The largest bulk cargo terminal is at Fangchenggang port, with a berthing capacity of 200,000 tons and a quay length of 462 meters. The largest container terminal is at the No.1--No.8 berths of the Da Lan Ping operation area of Qinzhou port, with a berthing capacity of 100,000 tons and a quay length of 2,300 meters. The largest crude oil terminal is located in the Qinzhou port, able to handle 100,000 tons, with 4 berths and a quay length of 1,218 meters, while the biggest crude oil terminal under construction is the Qinzhou 300,000-ton terminal.

In 2016 the ports of Beibu Gulf processed a cargo volume of 204 million tons, among which the container volume reached 1.7949

million TEU and the volume of foreign trade cargo amounted to 121 million tons, accounting for 59.31% of the total volume of Beibu Gulf ports. Meanwhile, the ports completed an annual bulk cargo operation of 169 million tons, of which 46,271,100 tons were coal and coal products, 19,793,300 tons were petroleum, natural gas and related products, 13,883,300 tons were grain, and 45,816,900 tons were metal ores.

With its unique geographical location and advantages, Guangxi Beibu Gulf has achieved the following recent development:

First, the ports of Guangxi Beibu Gulf has become an important frontier of opening-up and cooperation for maritime connectivity between China and ASEAN countries, and most of the transport exchanges between Beibu Gulf ports and ASEAN ports especially with Malaysia ports have been established. With Beibu Gulf ports as the basis, Guangxi has been transformed from the southwest border area of China to the front and window for cooperation and opening up with ASEAN, from an underdeveloped area in transportation of China to a regional transportation hub.

Second, with the completion of a number of railway and highway, the bottleneck of development of Beibu Gulf ports is basically eliminated and the service of Beibu Gulf ports has been extended to hinterland area of China. As a result, the effect of Beibu Gulf ports as China's south and southwest strategic fulcrum is prominent.

Third, the comprehensive competitiveness of Guangxi Beibu Gulf ports has been enhanced gradually and the function of port hub improved. With the in-depth implementation of the Beibu Gulf Economic Zone, harbor industry has been developing in agglomeration and Guangxi Beibu Gulf ports have entered the stage of transformation and upgrading, with port industry such as port

service, information, ship repairing and building, etc. entering the stage of acceleration.

Fourth, the Guangxi Beibu Gulf ports have made great advance as an important port for the China-Europe train. Presently, the section of railway between Chongqing and Beibu gulf which belongs to Chongqing-Guangxi-Singapore container train has been successfully operated. After the opening of the Lanzhou-Chongqing railway at the end of this year, further construction will extend to the north. By then, "Chongqing-Guangxi-Singapore" railway and "Chongqing-Singapore-Europe" railway will be connected, thus forming a complete rail circle of western China under "The Belt and Road", also a new maritime channel for international trade. Consequently, Guangxi Beibu Gulf ports have become an important node in the link of ports for China-Europe trains.

With the further development of cooperation between China and Malaysia, we believe that deepening the cooperation between the ports of China and Malaysia has the following favorable conditions:

- 1, The status and role of Guangxi Beibu Gulf ports have been continuously strengthened in the national strategy. The Guangxi Beibu Gulf port enjoys prominent advantages in location, as the nearest port from Chinese mainland to Malacca Strait, also the nearest sea port for China's southwest area, shouldering the tasks of constructing the International Channel from Guangxi to ASEAN, creating a new strategic fulcrum for the opening-up and development of Southwest China, Central China and South China, forming an important gateway in connecting the 21<sup>st</sup> Century Maritime Silk Road and Silk Road Economic Belt, continuing to strengthen the status and role in the national strategy. During the "13th Five-Year plan", relying on the Guangxi Beibu Gulf port, our main measure is the

construction of Beibu Gulf regional international shipping center to implement the national strategy and accelerate the economic and social development of Guangxi, so Guangxi Beibu Gulf ports still have important opportunity to accelerate its development.

2, The Guangxi foreign cooperation mechanism is constantly improving to promote cooperation in the port. Under the leadership of the Chinese central government, Guangxi is committed to promote the cooperation with ASEAN countries including Malaysia. In addition to a series of cooperation framework such as China-ASEAN Expo, China-ASEAN Business and Investment Summit and the Pan Beibu Gulf Development Forum, in order to implement Premier Li Keqiang's initiative on the "China works with ASEAN member countries to establish cooperation network of China-ASEAN port cities ", Guangxi actively promotes the relevant work on cooperation network of China-ASEAN port cities, enhance exchanges and cooperation between ports of China and ASEAN , so that more cities and institutions benefit from the friendly cooperation of port cities, sharing mutual benefit and win-win results of Maritime Silk Road.

The current mechanism is led by the government of Guangxi, which will form a pattern of cooperation with China- Malaysia Port Alliance mechanism, to help promote the China-Malaysia port connectivity and deepen the new cooperation mechanism.

At present, the work conference on cooperation network of China-ASEAN port cities has made progress. In May last year, the first working conference was held in Nanning, discussing cooperation such as “ vision and action on the cooperation network of China-ASEAN port cities”, “cooperation method on the cooperation network of China-ASEAN port cities”, reaching a consensus on purpose, principle and key areas of cooperation.

At the same time, Guangxi has set up the Chinese Secretariat of cooperation network of China-ASEAN port cities. In order to accelerate the construction of the cooperation network, promote exchanges and cooperation between ports of China and ASEAN, enable more cities and institutions to benefit from friendly cooperation and share a win-win situation of the Maritime Silk Road, on September 13th this year the second working conference on cooperation network of China-ASEAN port cities will be held in Nanning, Guangxi, China to further promote cooperation among ports.

Based on the purpose of this meeting and the basis for cooperation between the two sides, we propose some initiatives to deepen cooperation as follows:

1. Jointly build the shipping logistics service system. Through discussion and consultation, we may increase or newly open main shipping routes between the ports of Beibu Gulf of Guangxi and Malaysia.
2. Jointly accelerate the construction of China-ASEAN port logistics information platform. At present, we have built China-ASEAN port logistics information center and support Malaysian ports to construct the sub-interface of "China-ASEAN port logistics information center" and provide help for ports in Malaysia that are willing to share information with Chinese counterpart.
3. Jointly promote the cooperation in investment and operation in the ports. Based on the friendly relationship with Port Klang, we are willing to push the work on the conclusion of pairing Guangxi Beibu Gulf Ports and Port Klang as friendly ports or sister ports to deepen and expand friendly exchanges and cooperation, promote mutual participation of port enterprises in investment, construction, operation

of the ports, enhance the port capacity and operational level, carry out communication and exchanges in the operation and management, logistics, port security and supervision, port pilotage and traffic control of the ports, conduct cooperation in training to jointly promote the regional port management level.

4. Jointly promote the opening of routes for passenger liners from Guangxi Beibu Gulf ports to Malaysian ports. With cruise routes from the Guangxi Beibu Gulf ports to the ports of Malaysia as the axis, we accelerate the formation of the "maritime Silk Road" tourism circle and implement the bilateral cooperation projects of tourism and cultural exchanges to expand cross-border tourism based on the regional tourist exchanges.

Thank you!