

## CONSTRUCTION OF MALAYSIA-CHINA DUAL INDUSTRIAL PARK UNDER THE FRAMEWORK OR RCEP

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**Abstract:** *The research based on comparative advantage theory and international cooperation theory, this paper studies the China-Malaysia dual-park cooperation under the framework of RECP. Through in-depth practice, visiting and investigating dual Parks, and combining the positions and viewpoints of government investment management departments, industrial research institutions and park-resident enterprises of the two countries, the author comprehensively understands the current situation of the development of dual Park. This paper analyzes the opportunities and challenges faced by the "Two countries, Twin parks". At present, there are still some practical problems in the dual parks, such as difficulty in financing, convergence in development industry, backwardness of supporting facilities, difficulties in attracting investment and so on. Therefore, on the basis of further analysis and discussion of the problems in the dual parks, this paper summarizes the development experience of the international advanced park and puts forward some suggestions: constructing the park management mechanism of the two countries; strengthening the follow-up support to the enterprises stationed in the park; innovating the way of attracting investment, clarifying the leading industry and supporting industry chain, strengthening the financial service plan and so on. Based on this, this study hopes to help both China and Malaysia to promote the development of dual Parks for reference.*

**Keywords:** Economic, Trade Cooperation, Industrial Park, Malaysia, China

### INTRODUCTION

The amount of uncertainty in the current state of the global economy is rising. Both the Russia—Ukraine war at the beginning of this year and the abrupt emergence of the Covid-19 at the end of 2019 have pushed the world economic system into a crucial phase of restructuring. The stability of the global economy, which had slowly recovered from the 2008 financial crisis, was extremely fragile, while the escalating epidemic and the Russia-Ukraine war had an almost devastating impact on the global economy. The trend of the world mainstream economic concept from free trade to protective trade and from multilateral trade to unilateral trade is becoming more and more obvious. Nationalism has become the dominant ideology in global business. The strategies of extreme trade protectionist have become an important part to attract votes for various parties during the election period among several countries. All nations in the globe have been touched, either directly or indirectly, by the

pandemic and Russia-Ukraine war, and the global economic system has also suffered significant changes. The Regional Comprehensive Economic Partnership was officially signed on November 15, 2020, marking the birth of the world's largest free trade zone. The core content of the RCEP agreement is to enhance market opening in terms of trade in goods, trade in services, trade in investment, and movement of people. Internal trade restrictions are to be removed, an improved climate for investing has been created, and service trade is to be expanded. The signature of the RCEP will have a significant positive impact on intra-regional trade, investment, and employment growth. It will also open more chances for development and a larger market for businesses in countries. One of its key policies for carrying out its regionalization strategy is to actively participate in the RCEP negotiations. As the ASEAN region with the greatest development potential, it must do so to actively contribute to the economic integration of Northeast Asia and to solidify its central position in the Asia-Pacific region. From March 18, 2022, RCEP will officially enter into force for Malaysia. At present, among the 15 RCEP signatories, the number of effective members has reached 12. As one of the most influential countries among ASEAN members, Malaysia is a highly export-oriented economy and a trade-oriented country with a high degree of foreign dependence. Malaysia's position in the RCEP economy will also be further highlighted as the agreement continues to deepen and operate, and it will increasingly become an important node in the ASEAN value chain and the Asia-Pacific regional production network. Therefore, under the RCEP framework, Malaysia-China economic and trade cooperation will have a significant improvement. With the economic recovery of major economies in the post-epidemic era, the construction of Malaysia-China dual parks will promote the market opening and industrial transformation of both countries, thereby accelerating ASEAN can play an important role in integrating into global value chains and regional production networks. China and Malaysia will both seek to lower trade and non-trade obstacles as part of the RCEP framework, encourage trade and investment liberalization and facilitation, boost the openness of regional markets, and establish more open, free, and transparent economic and trade regulations in the area. The governments of China and Malaysia jointly developed the China-Malaysia Qinzhou Industrial Park and the Malaysia-China Kuantan Industrial Park, which together created a new cooperation model of "two parks in two countries." It is also a new spark and new impetus for growth against the backdrop of sluggish economic growth throughout the world.

### **OPPORTUNITIES AND MODIFICATIONS FOR RCEP\_BASED ECONOMIC AND COMMERCIAL COOPERATIONS BETWEEN MALAYSIA AND CHINA**

The Covid-19 issue began to spread widely in early 2020, and as a result, issues including a single economic model and defects in its own industrial chain continue to emerge and get worse. In this situation, Malaysia will need to make use of the Regional Comprehensive Economic Partnership (RCEP) to develop economic and trade ties with major economies around the globe, particularly China. This will help Malaysia maintain its position as a key hub in the ASEAN value chain and the Asia-Pacific regional production network, thereby strengthening its internal influence within ASEAN.

**The Following Elements Make Up the Majority Of The Potential RECP Has Offered To Malaysia-China Trade:**

The Malaysia-China bilateral trade and investment market is expanded because of RCEP. The RCEP agreement covers about 30% of the global population, 32.2% of global GDP, and 29.1% of global trade. It is the largest free trade agreement in the world. Based on the original Malaysia-China two countries and various existing trade agreements, a free trade agreement with a super-large market has been integrated. It will promote the cooperation between Malaysia and China in optimizing the allocation of resources and industrial transfer and upgrading, resulting in huge trade creation and investment effects. Especially based on the superimposed effect of China-ASEAN 10+1 and the dual institutional arrangements of the "Belt and Road", the signing of RCEP will further strengthen the bilateral relationship between Malaysia and China. Resources, labor-intensive, and certain capital-intensive industries offer tremendous investment possibilities

RCEP strengthens Malaysia-China market relations for bilateral trade and investment. The original purpose of RCEP was to fill the gap in free trade agreements among Northeast Asian countries. China and Japan, the second and third largest economies in the world, have not yet had a formal free trade agreement in Northeast Asia. For many years in a row, Malaysia's main economic, trade and foreign investment source countries have been China and Japan. Therefore, on this basis, Malaysia can strengthen the existing cooperative relationship with China and Japan and integrate the advantageous industrial factors of all parties through technology to realize Japan-Malaysia-China. China has built a new development pattern of a new closed-loop industry for the pattern of industrial undertaking and upstream, midstream, and downstream cooperation.

Provides a new opportunity to improve the stability of the import and export supply chain between Malaysia and China. The RCEP regional industrial chain has diversified advantages, and the comparative advantages of Malaysia and China are quite different: China leads in the fields of high value-added agricultural and forestry products, industrial products, and electronics; Malaysia can provide relatively sufficient metal raw materials, aquatic products and forestry resources and a vast ASEAN market, these advantages just form a complementary relationship between Malaysia and China. In the next few years, with the gradual reduction of automobile tariffs in the agreement, Malaysia and China will have greater achievements in the cooperation in the new energy automobile industry. The bridgehead and the most important production base for new energy vehicles to enter the ASEAN market. Under the closer agreement framework of RCEP, the stability of the import and export supply chain between Malaysia and China is expected to be further consolidated and improved.

### **Constraints in Malaysia-China Economic Relations under RCEP**

Uncertainty over the adjustment of the regional and global order. With the closure of the prologue of the Cold War, the world pattern has changed from two poles to a unipolar time completely dominated by the United States. The world order has also changed from the mutual confrontation between the United States and the Soviet Union to a peaceful, stable, and prosperous regional and global order dominated by the United States. Enter the 21st century. In recent years, with the decline of American national strength and the rapid rise of China, the regional and international political pattern is undergoing drastic adjustments and changes. Especially during the Republican Trump administration since 2016, he quickly abolished the "Asia-Pacific rebalancing" strategy of the Democratic Obama administration, announced his withdrawal from the Trans-Pacific Partnership and launched a trade war with China. The

prevalence of internationalism in Western countries, led by the United States, has subverted everything Malaysia has been familiar with in the past and is worried about the future of the US-dominated order in the Asia-Pacific region. Although the Biden administration tried its best to reverse the Trump administration's policies in the Asia-Pacific and sent high-level visits to ASEAN countries one after another, the ASEAN countries are confused about how the US's ASEAN policy will be adjusted and developed, and the adjustment and development of the regional and global order are uncertain. It makes those countries more cautious in diplomatic activities. At the same time, as the Omicron is still raging around the world, although Malaysia has opened its border, China still adopts strict entry and exit policies. It comes more uncertainty.

Malaysia's "nearly but not friendly" to China Malaysia has been inextricably linked with China in history. Many places have been deeply influenced by Chinese historical traditional culture and values. They were also a member of the Chinese tributary system. The Chinese are also an important ethnic group in the construction of the Malaysian state. With the improvement of China's comprehensive strength in recent years, China is increasingly moving towards the center of the world stage, and China's political and economic influence in the region is increasing day by day. The asymmetry of power between Malaysia and China has become increasingly prominent, which has led to fundamental differences in the perceptions of interests and many regional issues between the two sides, which can easily lead to the breeding of public distrust of China. Malaysia has benefited a lot from its close economic and trade ties with China, but it is full of doubts about China's growing strength. It is generally worried that China's strength will cause its foreign and security policies to follow China, which will damage its national interests and security. There is no shortage of officials within the Malaysian government who believe that non-territorial countries such as the United States, Australia and Japan need to enter Malaysia to check and balance China's growing influence on Malaysia's political, Economic and diplomacy. Some officials in Malaysia advocate the introduction of foreign forces such as the United States into the region and adopt a "balance of power" diplomatic strategy. Malaysia's "balanced diplomacy" depends on China for trade, on the United States for security, and on Japan and South Korea for investment, which leads to the fact that Malaysia and China are not close to each other despite their geographical proximity.

The major powers sow dissension among Malaysia-China relations In recent years, the regional and international situation has undergone drastic changes, and Malaysia has historically been a region where the interests of major powers compete fiercely. The United States, Japan, India, etc. are highly wary of China's rise and the strengthening of its influence in the region, and they have launched active diplomatic actions in Malaysia to drive a wedge between them and damage the relationship between Malaysia and China. The Obama administration of the United States continues to create hot spots around the South China Sea issue, encouraging Malaysia to challenge China on the South China Sea issue. Japan has always attached great importance to the development of relations with Thailand. When Japanese Prime Minister Fumio Kishida visited Malaysia on May 27, 2022, Malaysia-Japan consensus to maintain and strengthen a free and open international order based on the rule of law to strengthen China's military presence in the East and South China Seas. Vice President Harris, Secretary of State Blinken, and other high-ranking Washington officials travelled to

ASEAN nations in 2021 as part of the Biden administration, with China's development serving as the primary focus.

Malaysia's domestic political risk Malaysia is a country that implements a federal parliamentary democracy and an electoral constitutional monarchy. Domestic political parties and political forces representing various regions, classes and ethnic groups compete. Since the 2018 general election, Malaysia has had three prime ministers come to power and has seen two governments fall, while the two main, rival coalitions, the Barisan Nasional and the Harapan, have both experienced splits. Political instability and a lack of continuity in policy can easily result from frequent political party switching. Malaysia is currently undergoing an economic change, and there is a severe imbalance in the economic development of the country's many regions and ethnic groups. The nation must contend with problems in less conventional security areas such the predominance of ethnic extremism in Malaysia, international crimes in East Malaysia, and the growth of drugs in the north. Economic disparities between areas in Malaysia will grow more pronounced as economic change moves forward at a faster rate, thus it's important to thoroughly research political issues as well.

## **CHALLENGES AND SUGGESTIONS IN THE CONSTRUCTION OF MALAYSIA - CHINA DUING**

There is a serious homogenization issue with the park's industrial layout. Qinzhou Industrial Park, one of the two industrial parks, is in Guangxi, China, which is currently the most economically backward coastal province in China. Kuantan Industrial Park is also 260 kilometers away from Kuala Lumpur, the industrial center of Malaysia. Therefore, we can see that the layout of the two parks is relatively uncoordinated in terms of industrial chain layout, which can easily lead to redundant construction of supporting industries. At present, both parks are mainly based on industries such as electronic information, equipment manufacturing, new energy, and new materials, and do not highlight the traditional advantageous industries of the two countries.

Backward infrastructure restricts the high-quality development of the park Qinzhou Industrial Park and Kuantan Industrial Park are both built in relatively economically underdeveloped areas, and the infrastructure construction in industrial parks generally lags the development needs of enterprises in the parks. Especially in terms of road transportation, the products of Qinzhou Industrial Park usually need to be transported by road to major cities such as Guangzhou, and the high highway tolls in China lead to high operating costs for enterprises in the park. In addition, there are also shortcomings in the construction of other public service infrastructure including health care facilities, environmental protection facilities, and telecommunication service facilities. Malaysia, as an Islamic country, is particularly conspicuous in its lack of halal matters when Malaysian staff come to the Qinzhou Industrial Park. In the Kuantan Industrial Park, there is still a vehicle-to-cargo matching process that needs to be handled by acquaintances, which shows that the information efficiency of the Kuantan Industrial Park is extremely low, and the various links of the industrial chain are scattered.

The need for early building capital from established businesses is enormous, and park financing is challenging Enterprises from the two countries usually face financial pressures such as large investment volume, long investment cycle, single source of funds, and financing difficulties in the initial stage of entering the park in the other country. It is challenging to get

financing from local banks, and it is required to pay high interest and service charges through foreign borrowing because most of an enterprise's funding comes from the parent company. Businesses across the entire region struggle to grow because of these issues. Malaysia is more likely to get funding from al-Bank al-Islami because it is a Muslim nation, and the Qinzhou Industrial Park is particularly deficient in this area. The formation of businesses from the two countries in each other's parks is now primarily impacted by the demand for capital.

The stability of the park's development has been impacted because of China's policy to prevent epidemics. The Chinese government has always had a very stringent defense strategy in place since the outbreak of Covid-19. The import of viruses from Vietnam is subject to extremely stringent regulation in Qinzhou, which is a border city between China and Vietnam. Additionally, the standstill orders have been repeatedly enforced by Qinzhou. The Qinzhou Park businesses' capacity to maintain stable output will be negatively impacted by the Chinese government's control of the outbreak, which will also drive-up operating expenses.

### **Suggestions In The Construction of Malaysia-China Twin Parks**

Reasonable planning and layout to coordinate the sound development of the park industry. First of all, Malaysia-China dual industrial parks need to make policy communication between the two governments, do a good top-level design in the system, and take the general framework of RCEP cooperation as the guidance to improve the relevant supporting policies for the specific requirements and development goals of the construction and development of the dual industrial parks, and combine the resources of economic development with China's "Belt and Road Initiative" initiative, so as to upgrade the national industrial chain and finally complete the structural transformation of national economic development. The second is to guide the connection of Malaysia's advantageous industries and the complementarity of China's production capacity and form an active strategy in terms of the current situation, industrial distribution, park performance, growth potential, and its strategic impact on overall development of pelagic fishery, food, and Kuantan industrial parks. Guide the flow of resources, actively encourage domestic and foreign enterprises to gather in the nearby Kuantan Industrial Park if conditions permit and form the agglomeration effect and economies of scale for the development of the Kuantan Industrial Park.

Strengthen infrastructure construction to promote high-quality development of the park. In order to increase the construction of the Malaysia-China dual parks with the involvement of the two governments at the same time, the governments of the two nations must first direct the park enterprises to introduce the PPP model to participate in the infrastructure construction of the parks in the form of cooperation. The second is to complete environmental beautification, lighting, and greening projects as well as strengthen the building of infrastructure networks in the Kuantan Industrial Park, including those for water supply and drainage, electricity, gas, transportation, and telecommunications. Improve the building of the roads, freight stations, and other transportation infrastructure that connects the industrial park to the outside world. Thirdly, for the Malaysia-China Qinzhou Industrial Park to conduct rolling development and construction, the government must provide direction to the development and construction companies there. To create a gradient structure and virtuous circle, it can first establish the basic infrastructure in the park before moving on to construct additional non-essential infrastructure after realizing profits.

Provide investment and financing services to promote the sustainable development of the park First, the policy-based financial assistance provided by the government for the creation and expansion of industrial parks. To establish and grow industrial parks while also strengthening Malaysia's banking sector, the government can now seek financial support from sources including the Silk Road Fund, Asian Infrastructure Investment Bank, and China-ASEAN Maritime Cooperation Fund. Specifically, the Central Bank, Labuan Financial Services Authority, universal and commercial banks, establish financial institutions in line with the Islamic religious system, investment banks, development financial institutions, and other policy financial institutions all provide financial support for the high-quality growth of Chinese enterprises based in the Malaysia-my country Dual Park. The second is to explore and implement the establishment of a financing platform for the construction of overseas parks in Malaysia-China Twin Parks, especially the construction of the al-Bank al-Islami system bank. Under the direction of the government, relying on the resources of the Chinese ethnic group in China, a Malaysia-China dual-park finance firm will be established to increase the investment and financial support system for the dual-park. The third is to make improvements to the Malaysia-China Dual Park's financial service system. Enhance Malaysian and Chinese financial policy coordination, jointly discuss and develop an industrial fund for the development of dual parks and realize local financing development patterns for park construction. Support businesses with stable income and high credit ratings based in the dual park platform to issue pilot bonds in the park, issue asset securitization products, and provide funding for eligible park infrastructure projects.

Prevent political and economic risks and ensure the stable development of the park First, the governments of both parties need to direct the management units of the dual parks to establish specialized legal and policy research departments to carry out research on regulations, policies, and countermeasures considering the legal, regulatory, and policy risks that may be encountered during the construction and development of the dual parks. Additionally, take proactive steps to predict and prevent risks. Second, through cooperation with third-party institutions or individuals, these third parties can be good political and economic relations between Malaysia and China. It can also be an independent manager of the international industrial park with rich international industrial park operation river risk prevention and control, through this series of measures to reduce the political and economic risks in the process of construction and development of the double industrial park. The third is to help settled firms develop positive interpersonal ties with the community, strengthen inter-personal ties, and improve their ability to cope with political risks.

#### **DIFFICULTIES FOR MALAYSIAN ENTERPRISES TO ENTER THE MALAYSIA\_CHINA QINZHOU INDUSTRIAL PARKS**

Leading and encouraging Malaysian businesses to locate in the Malaysia-China Qinzhou Industrial Park will support their efforts to "go global," implement RCEP, and implement the new national economic development policy.

**It Is Challenging For Businesses To Receive Correct Information In The Absence Of Expert Information Services.**

It is challenging for businesses to understand the laws and regulations, economic policies, financial policies, and industrial policies of the Malaysia-China Qinzhou Industrial Park due fully and carefully to the imperfect professional information service system, and various investment risk events because of information asymmetry occasionally occur. For instance, the Chinese government has repeatedly release policy documents on the prevention of epidemics since the disease first spread. However, some businesses have not been able to receive and comprehend these documents, which has had an impact on output. When resident businesses are faced with unforeseen significant occurrences, they are unable to get the information they need right away and end up failing to take precautions. For instance, the Chinese local government promptly implemented a policy of halt orders throughout the city in 2021 when the virus abruptly erupted in Qinzhou. Because they did not initially get the information on epidemic prevention, some businesses in the park did not create risk prevention strategies. The businesses were severely disrupted and were unable to operate regularly. business and experienced severe financial losses.

### **Enterprises' Capacity To Withstand Risk Is Limited Due To A Lack Of Expertise With International Investments And Joining The Market.**

First, Malaysian businesses lack sufficient expertise in making investments abroad. They are concentrated on well-known parks and typically lack knowledge in the selection process of foreign parks. The availability of well-liked parks is frequently few, the expense of relocating businesses has increased significantly, and the investment cycle is extended, all of which have an impact on the execution of businesses' overseas investment plans. Second, the Malaysian government lacks an in-depth study on the overseas investment target countries of Malaysian enterprises, including the political, economic, diplomatic, industrial park industries and markets related to the investment target countries, and the guidance of Malaysian enterprises' investment. At present, the overseas investment of Malaysian enterprises in the industrial park often depends on their own investment experience or channels, which can easily lead to the blindness of entering the industrial park; the service system of Malaysian enterprises' overseas investment in the industrial park is not perfect, there are few overseas investment service intermediaries, the strength is not strong, and the coordination service function of trade associations is not perfect. Third, Malaysian enterprises' overseas investment in international industrial parks is mostly individual behavior, and few industrial chains among enterprises jointly invest in overseas industrial parks for development. as a result, it is impossible to form a strong anti-risk ability in the aspects of industrial chain, technology, management and financial strength, and the main overseas investment and resident industrial parks of Malaysian enterprises are concentrated in the ASEAN region. There is little big development in the market thought by ASEAN.

### **In The Absence Of Multiple Financing Channels, The Stamina Of Overseas Investment Of Enterprises Is Seriously Insufficient**

Enterprises need a huge amount of capital in the early stage of overseas investment in the industrial park, once the enterprise encounters financial difficulties, it will lead to subsequent development difficulties. First, when Malaysian enterprises enter the Chinese park, the guaranteed subject of the enterprise will be the branch in the Chinese park, so it is very difficult to obtain loans from Malaysian banks. Because they are new entrants, it will also be difficult



to obtain financing support from Chinese banks. As a result, the financing channels of Malaysian enterprises stationed in Chinese industrial parks become narrow. Secondly, the lack of overseas operation experience in the enterprise management system leads to the lack of financing credit. The Malaysian enterprises currently stationed in the industrial park, especially the small and medium-sized private enterprises, have non-standard financial management and shortage of funds in the process of operation. In the later stage, some enterprises even had difficulties in repaying loans due to the influence of COVID-19 's epidemic situation, which reduced the credit rating of enterprises and affected the follow-up banks' support to enterprises in financing. At the same time, it will affect the large credit support of banks to enterprises or the need to pay higher loan interest rates. Third, at present, Malaysian domestic banks still have a lot of room for improvement in overseas service institutions and financing system, so it is difficult to provide matching financial support for enterprises of both sides in the current development process of Malaysia-China double park.; limited by the loan system of Muslim banks, it is difficult for Malaysian Muslim enterprises to obtain suitable financing in China.

### **Lack Of Top Management Talent Limits Businesses' Ability To Operate Abroad Significantly**

First, in the past, the managers of Malaysian enterprises, especially small and medium-sized private enterprises, lacked a long-term strategic plan for their overseas investment layout and internationalization. As a result, when there is an opportunity for international investment, there is no talent team who is proficient in production and operation abroad, which leads to many Malaysian enterprises that originally had the opportunity to enter Malaysia-China Qinzhou Industrial Park to miss the business opportunities for development and growth. Second, Malaysian companies currently lack many strategic and professional management talents, which seriously restricts the pace of Malaysian companies investing in the Malaysia-China Twin Park. The third is that Malaysian companies lack compound senior management talents who understand both business management and international business practices, and have a relatively high level of Chinese, which seriously affects the investment of Malaysian companies in the Malaysia-China Qinzhou Industrial Park.

### **SUGGESTIONS FOR MALAYSIA ENTERPRISES TO SETTLE IN THE MALAYSIA-CHINA INDUSTRIAL PARK**

#### **Establish And Improve A Comprehensive Information Platform To Provide Professional Information Services For Malaysian Enterprises Entering The Park**

First, the government should establish and improve the information research center for Malaysian enterprises investing in the Qinzhou Industrial Park, focusing on tracking, and researching information on China's macroeconomic policies, industrial policies, and investment policies, and releasing them on the comprehensive information platform in a timely manner. Second, the government should give full play to the advantages of domestic Chinese organizations, Malaysian Chinese chambers of commerce and industry associations in information and business consulting services, and build a market-oriented, socialized, and internationalized foreign-related intermediary organization support system to provide Malaysian enterprises with overseas investment in the park. Comprehensive services in terms of high-quality information, etc. The third is to guide enterprises with plans to invest in the

Qinzhou Industrial Park to improve their own informatization construction, enhance business operators' understanding of the importance of informatization construction, and improve information awareness, information management awareness and information competition awareness.

### **Strengthen Government Guidance and Provide Professional Guidance For Fujian Enterprises To Enter the Park.**

First, the relevant government departments should logically assess variables like transportation, resources, supply chains, industrial characteristics, and market coverage of overseas parks. They should also combine corporate technology, management, talent advantages, and international business experience to advise Malaysian companies to prioritize the Chinese industry's advantages and select a park with the best location conditions. The second is that for Malaysian businesses to relocate to foreign parks, the government must intensify its service work on industry rules, investment guidelines, business environment warnings, investment promotion, and other issues. The government will take the lead in creating a strong intermediate service organization at the same time to provide interested Fujian-funded firms full-service services starting before they start production. The third is to encourage Malaysian businesses to invest in the park collectively, capitalize on cluster advantages, create a complete supply chain system advantage, continuously improve joint strength and competitiveness of businesses, and improve businesses' capacity to withstand risks by using China's industrial advantages as a guide.

### **Broaden The Source of Funds and Strengthen Financial Support for Fujian Enterprises To Enter the Park.**

First, it is necessary for the Malaysian government to set up a special development fund for the enterprise development of the park in Malaysia-China double Park by relevant domestic financial service institutions. At the same time, financial service institutions such as state-owned banks, private banks and private equity funds are encouraged to provide financial services to Malaysian enterprises stationed in the dual parks of the two countries, especially Qinzhou Industrial Park. The second is to promote and improve the full insurance coverage for Malaysian enterprises to produce and operate abroad. Encourage Malaysian local and international commercial insurance service institutions to provide full insurance coverage to Malaysian enterprises stationed in Qinzhou Industrial Park and expand the coverage of policy credit financing insurance and overseas investment and operation insurance. Third, according to the actual needs of enterprises, the government can encourage financial institutions in Malaysia to increase financial support to Malaysian enterprises stationed in Malaysia-China industrial Park, actively develop special financial services specifically for Malaysian enterprises that enter the park for production and operation, and at the same time increase the line of credit, relax loan conditions, and reduce loan interest rates. Provide financial and insurance support for enterprises in issuing preferential loans, issuing letters of guarantee, and providing policy insurance.

### **Investigate multi-party collaboration and develop senior foreign enterprise management skills.**

The first is to fully utilize the benefits of the dual parks and educational resources, through exchanges in the dual parks, learning about the business practices of foreign companies, and adopting a strategy of corporate self-cultivation combined with government funding to develop multinational business talents. The second is to carry out high-level transnational operation personnel training programs between enterprises and universities aimed at Malaysian enterprises' investment and production, to train high-level transnational operation talents for enterprises that have been and plan to be stationed in Malaysia-China double parks and can also promote the training of high-level transnational operation talents of Malaysian enterprises through personnel exchanges or expatriate training. Third, to realize the localization of operation and management personnel, Malaysian enterprises can select excellent management personnel locally to act as the management personnel of Malaysian enterprises stationed in Qinzhou Industrial Park in the process of production and operation of the industrial park, which can not only make up for the shortage of expatriate managers of Malaysian enterprises, but also ensure the correctness of business decisions because Chinese personnel are familiar with the local environment.

## CONCLUSION

Represented by Malaysia, medium-sized countries with emerging industries wandering between big countries are almost helpless in the face of the impact of the epidemic. Economic recession, unemployment, and poverty have become real life portrayals under the epidemic. The foregoing issues in Malaysia may not be entirely resolved by the operations of RCEP, but they can be much reduced. It is not difficult for Malaysia to complete the corner overtake if it can pass the necessary agreements, fully use the economic and trade cooperation between Malaysia and Thailand and strengthen the structure of the industrial chain in industrial collaboration. When building the park, Malaysia must exert considerable effort in the following areas: 1. attempts to strengthen IP rights' degree of protection, which would boost Malaysia's market environment's trust; 2. continually strengthen laws and policies governing foreign investment, particularly to enhance the environment for investments and commerce; 3. Enhance the caliber of the labor force, particularly technical employees, to draw in and carry out the transfer of high-tech industries to raise the overall level of technology manufacturing in Malaysia; 4. Raise the caliber of the final goods to comply with international standards. Specifically, in the past 2021, China has been Malaysia's largest trading partner for 12 consecutive years, China's direct investment in Malaysia is still in the forefront, and the types of investment projects are also most abundant. However, it can be foreseen that after RCEP is launched, the competition between China, Japan, South Korea, and other parties to the agreement in all aspects of Malaysia is bound to become more and more intense. The Malaysian economy is entering a period of transition, which has brought some changes to the development of Malaysia-China bilateral relations. However, no matter which political party in Malaysia is in power, it will continue the traditional balanced foreign policy of Malaysia and ASEAN, which is conducive to the continuation of friendly relations between Malaysia and China and provides an opportunity for Japan and South Korea to further strengthen and consolidate economic cooperation with Malaysia. Under the reference of the "N-X" mechanism in the ASEAN economic cooperation, the construction and industrial cooperation between Malaysia and China in the dual-park industrial park will be promoted in stages, from easy to difficult, and unfolded layer by layer. As a result, the Regional Comprehensive

Economic Partnership (RCEP) will foster increased bilateral and multilateral trade, mutual investment, and economic and technological cooperation between Malaysia and China, as well as the development of a new kind of regional value chain and production network. In the post-epidemic period, this will provide Malaysia and China's high-quality cooperative building of "Two Countries, Two Parks" fresh momentum.

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