

Exports to Britain improved: Industrialists

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KUALA LUMPUR, Wed. — Exports to Britain had improved in quality but trade volume slackened under a fragile economic recovery in the European Economic Community, industrialists here said.

Chairman of the British-Malaysian Industry and Trade Board G.E.F. Taylor said today Malaysia was, so far this year, running a visible trade surplus for the first time with Britain.

He was responding to Prime Minister Datuk Seri Dr Mahathir Mohamad's comments last night, which berated Britain for its permanent trade surplus with Malaysia and the dwindling share of its market for Malaysian goods.

Mr Taylor said the "trade-transfers" arising out of British invest-

ments in Malaysia have replaced imports with goods of British-origin made locally.

Uncertain, international trade conditions have affected British imports of Malaysian goods. He cited the weakening pound and increasing competition in Britain as the main causes for the slow entry of imports.

There was "nothing wrong with quality (of Malaysian goods). But we are in competition with companies around the world, every country is trying to cut down imports...perhaps it may be easier to export to the United States", he said.

Mr Taylor felt that the only sore point left in British-Malaysian trade relations was the invisibles deficit. He said that that huge deficit was largely unavoidable — as more foreign investments came in, payments would

have to flow out in dividends and repatriated profits.

His opinions were echoed by British High Commission spokesman **Ian Danson**. Mr Danson said Malaysian exports to Britain were increasingly made up of semi-manufactured and manufactured goods.

"This year, so far, the majority of Malaysian exports were in made-up or semi-made-up goods, from the industrial sector" (which shows that Malaysians have taken advantage of the increased value-added," he said.

Both suggested that there were mitigating circumstances for Britain to hold down imports, but commercial interests in both countries were quite satisfied with trade under present conditions.

Mr Ng Ufong of the Malaysian Textiles Manufacturers Association said Malaysian textile exports to Britain were controlled by an EEC agreement. Without those curbs, Malaysia could export more.

But the EEC barriers could also be seen to have more equitably distributed cheap imports of Third World manufactures, sheltering the less efficient countries from the economies of scale of the more successful developing countries.

"If there was completely free trade (into Europe), small producers may not be able to compete with countries like Taiwan Korea and Hong Kong," he said.

To us international trade on the whole is all right. Restricted access has applied to the most sensitive items, so we can't complain," Mr Ng added.

Meanwhile, **Bernama** reports that the Malaysian private sector shares the Prime Minister's concern over the country's persistent adverse balance of trade and will support any step to rectify it.

The president of the National Chamber of Commerce and Industry, **Dr Nawawi Mat Awin** said today: "We of course support any move to correct the situation especially the relative decline of trade between Malaysia and Britain."

He was commenting on concern expressed by Dr Mahathir over the shrinking British market for Malaysian goods.

Dr Nawawi, who is also the president of the Malay Chamber of Commerce and Industry, said that Malaysia could not go on forever having an adverse balance of trade with another country.

"Britain is also especially strong in the invisibles trade vis-a-vis Malaysia and both must make every effort to improve the imbalance," he said.