

Invest in Batam, Govt tells private sector

By David Yong, Harpajan Singh and
Priyadev Aravind in Batam

THE Government has called on the private sector to exploit the investment opportunities on Batam Island.

But it said that further studies would be needed to determine the areas where Malaysia could contribute and benefit from the Growth Triangle development concept.

Prime Minister Datuk Seri Dr Mahathir Mohamad said that further inter-government discussions were needed to clear possible areas of complications in the joint promotion of the Growth Triangle concept before any formal understanding was signed.

"There are certain things that involve law of the countries, and the investment conditions. We also find that Singapore and Batam are free ports, which means we have to make certain provisions so as to avoid problems with Johor Baru as a customs duty area," Dr Mahathir said.

"We have to see how these problems can be resolved," the Prime Minister said, after touring several industrial sites on the island.

"The scope of co-operation can be in investments in some of the industries, in communications and in tourism sectors. There maybe somethings that we can offer," he said.

Dr Mahathir who was quoted in Jakarta as saying that trilateral trade on the Growth Triangle would need further negotiations, added that discussions must be carried out at the central government level because it involved relations between different countries.

After lunch at the Turi Beach Resort, the Prime Minister said that Malaysia would sign a memorandum of understanding with Indonesia "as soon as possible" once the basis of co-operation had been decided.

"The local government can take over from there," Dr Mahathir said.

He said both countries were now discussing the development of the Growth Triangle, and identifying areas where there could be Malaysian participation.

"I must say I am impressed by the progress that has been made here. They have certainly done very well in changing Batam from nearly an oil supply base to an industrial and tourist attraction area," he said.

"There are now 53 types of industries in six designated industrial sites on the island with Singapore, US, Japan investments being dominant. Malaysian participation has been sadly lacking," Dr Mahathir said.

This is the first time Dr Mahathir is making an official visit to the island following the Growth Triangle idea first mooted by Singapore's then Prime Minister Lee Kuan Yew in December 1989.

During his six-hour visit, Dr Mahathir was briefed on the development of Batam centre under its Master Plan.

The Prime Minister also toured the Baru Ampar heavy industry area and the crude palm oil at Kapil Port before returning to Kuala Lumpur.