

PM: A viable springboard for our exports to N. America

Mexican connection

From Balan Moses

CANCUN (MEXICO), Sat. — Malaysia may pursue a tripartite investment policy in Mexico with Mexican and foreign investors now already in Malaysia in order to penetrate the North American market, Datuk Seri Dr Mahathir Mohamad said yesterday.

The Prime Minister said goods manufactured under the arrangement would have access to the American and Canadian markets under privileges Mexico will enjoy under the proposed North American Free Trade Agreement (Nafta).

It was learnt that Mexico would be able to export goods produced in the country with lower tariffs or without tariffs at all to the United States and Canada under Nafta, which is scheduled to be implemented in 1993.

"There are many foreign investors who come to Malaysia. We can help those who invest in Malaysia to invest in Mexico, along with input from us to manufacture goods for the North American market," he told a Press conference in Altamira, a port located about 1,000km from here, yesterday evening.

He was replying to a question on how much Malaysia intended to invest in Mexico following bilateral talks between Dr Mahathir and

Mexican President Carlos Salinas de Gortari.

Explaining the proposed tripartite investment policy, he cited the example of Japanese investors producing specific goods in Malaysia for export to the United States and Canada, using Malaysian raw materials.

"Under the tripartite investment policy, the Japanese investors will invest in a joint venture in Mexico with Mexican entrepreneurs and Malaysians who have the required raw materials.

"The goods produced will be exported to the North American market besides being sold in Mexico itself."

The Prime Minister said Malaysia had not gone into foreign investment in a big way although it had limited investments in China.

But Mexico represented a potential site for Malaysian foreign investment, especially in fields where Malaysians had experience and expertise, like palm oil.

Malaysians could set up joint ventures with Mexican entrepreneurs to process palm oil for use in food products, cooking oil, soap, detergent and other related products.

"We have a great deal of expertise in the oleo-chemical industry and can put it to good use.

"However, it is too early to estimate the quantum of

Malaysian investments in Mexico."

On whether Nafta would adversely affect foreign investment in Malaysia, Dr Mahathir said this could happen as investors may invest in Mexico to take advantage of privileges made available under the trade arrangement.

"Malaysian entrepreneurs, however, could do the same and invest in Mexico to enjoy the privileges available under Nafta and thereby bring gains to the country," he added.

To a question on plans for better links between Malaysia and Mexico, he said direct links should be established with ports like Altamira so that Malaysian goods could be exported directly to Mexico without having to go through a third country.

"We have found that many types of goods are being exported to the United States and re-exported to Mexico at much higher prices. Direct links will help to avoid this."

On the liberalisation of the economy by President Salinas, the Prime Minister said it was similar to Malaysia's economic policy.

"It is a good policy and we, too, follow this. He has done well. We believe that we should pursue a policy of free trade, free market and free economy."