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MAHATHIR OPENS FIRST VIETNAMESE-MALAYSIAN BANK IN HANOI

Mahathir-Bank

From Abdul Rahman Sulaiman

Over Sea

HANOI, April 21<sup>Q2</sup> (Bernama) -- A Malaysian-incorporated bank opened its branch here today in joint venture with a local bank to pave the way for the promotion of a strong Malaysian business presence in Vietnam.

The branch, called the VID Public Bank, the first Vietnamese-Malaysian joint venture bank between the Bank For Investment and Development of Vietnam (BIDV) and Public Bank Berhad of Malaysia, was officially declared open by Prime Minister Datuk Seri Dr. Mahathir Mohamad.

The symbolic ceremony was witnessed by Malaysian and Vietnamese officials as well as businessmen from both countries.

In a brief speech, Dr. Mahathir congratulated the two partners for their venture.

+The success of, this venture, I am sure, will form the springboard for many other similar business partnerships to come and pave the way for the promotion of a strong Malaysian business presence in Vietnam,+ said Dr. Mahathir, who is here on a five-day official visit. -- more

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He added that, the establishment and nurturing of 'a strong and mutually reinforcing Malaysian relationship with the Indo-chinese countries were timely and augured well for the reconstruction process of those countries.

As a member of Asean, Malaysia was more than happy to be of assistance, especially in areas of technical know-how and expertise in development which it had acquired during the process of its own development, he said.

+A rapidly developing Vietnam would be beneficial for the concept of Asean to succeed,+ he added.

Dr. Mahathir pointed out, however, that for any emerging nation that was determined to develop its economy, vast resources were needed to finance the building of infrastructural facilities and provide for productive enterprises.

While foreign investments provided a valuable source of funds, it was crucial that all domestic resources were effectively mobilised for productive development of the economy, he said.

In this regard, he said, banks had an important role in mobilising savings and deploying them 'for the development of the country. -- more

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He added: +Indeed, our experience in Malaysia has convinced us that an efficient banking system is the key in providing the linkages between domestic savings and the investment needs of businesses.

+They also provide trade financing to facilitate the import and export of goods.+

Dr. Mahathir said the potential for development and expansion of banking and financial services in Vietnam looked bright.

Given the government's renovation and reconstruction programme and the improved investment climate for domestic and foreign enterprise?; he was confident that businessmen and investors, including Malaysian firms, would be attracted to set up bases in Vietnam.

+A well-developed commercial banking sector, in turn, will provide the impetus for greater economic growth, bringing with it higher gains for the host country and its people,+ he said.

The Prime Minister also spoke of the gradual shift taking place in global trading patterns, -- more

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He said as competition intensified, the need-to develop new markets became more pressing.

As Asian countries had the potential to develop into mutually supportive markets, especially as peace had now returned after decades of war and foreign oppression, it was vital to have a strong platform for neighbouring Southeast Asian countries to work together to exchange views and deliberate on pertinent issues that were common to them.

+In this regard, the East Asian countries should strive for economic regional co-operation. The East Asia Economic Caucus would provide an excellent framework to achieve this objective,+ he added. -- Bernama

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