

Be active in global field, Dr Mahathir tells businessmen

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HO CHIMINH CITY, Wed. — Datuk Seri Dr Mahathir Mohamad wants industrialists and entrepreneurs to take an active part in the process of globalisation of businesses, arguing that Malaysia cannot but get involved in the exercise.

For Malaysia to benefit fully from this development, the business community must change its insular outlook and be more outward-looking, the Prime Minister said.

While they need to continue to expand at home, they cannot hope to prosper fully if they can only thrive in a protected home environment. Dr Mahathir said they must venture abroad and have to survive and succeed in an environment of keen competition with local and international companies.

"Only when they do this successfully can they be considered as having matured," he added.

To date several Malaysian companies have ventured abroad, including into Vietnam, Latin America and Africa.

Dr Mahathir said this at the opening of Petronas Carigali overseas office in Vietnam. This is the first overseas office of Petronas Carigali Overseas Sdn Bhd (PCOSB).

He noted that Petronas was one company that has ventured abroad and commended it for its moves.

To further help businessmen seek their fortunes overseas, a special committee has been set up to promote and increase the pace and orderly development of

Malaysia's overseas investments.

Dr Mahathir said this overseas venture by PCOSB will benefit Malaysia in several ways:

- it opens up possible new sources of supply of oil for the country;

- offers a potential source of income and foreign exchange; and;

- contributes to strengthening the links between Malaysia and the host country.

It has always been Malaysia's policy to work together with its neighbours. Dr Mahathir added that the development of trade and economic ties provide viable and strong foundations for desired stability.

Petronas' participation in the oil and gas industry will no doubt contribute to the economic development of Vietnam, whilst at the same time helping to strengthen the link between the two countries.

Petronas president and PCOSB chairman Tan Sri Azizan Zainul Abidin said the idea of Carigali going overseas was first mooted in 1988 and at about the same time Vietnam was actively pursuing its policy of opening its doors to foreign investors.

"We saw in these developments the opportunity we have been looking for and decided on Vietnam as the country for Carigali's first overseas venture," Azizan said.

Official contacts with Petrovietnam were made in November 1989. In September 1991 Carigali signed a production sharing contract

(PSC) for blocks 01 and 02 located 160km off Vung Tau.

Under the agreement, PCOSB, as the operator, is responsible for undertaking and managing exploration and production activities in the two blocks. It currently has a 100 per cent interest in the blocks.

The 25-year agreement is also said to provide for the first five years to be spent on exploration. When oil is found and commercial production begins, Petronas will receive payment for its costs and its share of the profits "at rates specified".

Earlier, the Prime Minister witnessed the signing of two memorandums of understanding. One was between the Automotive Corporation (Malaysia) Sdn Bhd (ACM) and the National Oil Services Company of Vietnam and the other between the Terengganu based Mizan-First Travel and Tours Group of Companies and the National Oil Services Company of Vietnam.

Under the first agreement the company plans to develop a strong automotive network that will include component manufacturing and the establishment of parts and service centres throughout Vietnam.

The joint venture company is also looking into the possibility of setting up an assembly plant for Isuzu vehicles in Vietnam.

Under the second agreement the company plans to promote tourism and tourism-related activities in the Vietnamese market on a large scale.