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IMPORTANT TO DEVELOP DIFFERENT MARKETS, SAYS PM

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KUALA LUMPUR, Jan. 22 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad says it is important to develop different markets and support other countries in the developing world.

There are more and more sources growing for an increasing array of industrial products, he said in an interview with +Newsweek+ which carried a special supplement on Malaysia entitled +Malaysia: Forward to 2020.+

+Why must we buy everything from the West,+ he said when asked on Malaysia's attempts to boost bilateral trade between developing countries and by how much was it growing.

Dr Mahathir also said Malaysia was encouraged by the increasing economic links with Vietnam, adding he hoped the ties would be constructive and fruitful.

+We are involved in oil and gas exploration through Petronas, our national oil company, off the Southern coast of Vietnam and links have been opened up in all economic sectors,+ he said.

He said it was important to engage the Vietnamese economically to prevent a return to their past adventurist behaviour.

On the Asean Free Trade Area (AFTA), he said it was a positive evolution enormously important for ASEAN, which began as a political organisation but now was ready for a more integral relationship.

Turning to foreign investment, Dr Mahathir said Malaysia was now in a position to be more selective in the way projects were approved as the country was not concentrating on labour-intensive industries anymore.

+The figures (on foreign investment) actually show a slight increase in terms of investment applications but we are not worried if they should slide,+ he said.

But Dr Mahathir said foreign investment was not the only avenue to growth as Malaysia was going to have to find a comfortable balance between foreign investment and export-led growth. -

Asked whether the trade deficit was a problem, he said the deficit would fall further after having come down from a high of RM8.8 billion last year.

He said: +Although we are going to continue relying heavily on imports in the next few years, we are also going to export more,+ adding that most foreign investments have been in the manufacturing sector, and much of that was for export.

Touching on the duty-free port of Labuan, he said Malaysia, which was trying to attract institutions from Japan, the United States and Europe, intends to be very selective and careful about the people who were allowed in.

In a separate interview, Finance Minister Datuk Seri Anwar Ibrahim said Malaysia was very clear on Islamic banking which was introduced to provide another banking service, in this case for the Muslims who were more comfortable with such a mode of banking.

+It will run parallel to the conventional banking institutions, but is never intended to displace them. The issue of +Islamizing+ the conventional banks, local or foreign, by forceful means or otherwise, does not arise at all,+ Anwar said. -- Bernama