

CNS6744

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Rptng, correcting third para.

Mahathir-Korea

DON'T THINK ONLY OF CONSTRUCTION JOBS, PM TELLS KOREANS

from Azman Ujang

SEOUL, May 25 (Bernama) -- ^{Trip overseas} Malaysia wants South Korea to broaden its investment in Malaysia instead of only going after big construction jobs, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

"At the moment, Korean participation is largely in the construction industry. They like to have construction contracts and they already have some of the biggest contracts," he told a press conference at his Hotel Shilla suite here before leaving for home after a two-day unofficial visit.

He said South Korean investment in the manufacturing sector in Malaysia was still very minimal although the Koreans had built huge projects like the Penang Bridge and Menara Maybank.

"Manufacturing is one area in which the Koreans should participate more because Malaysia still has fairly low-cost but productive labour. Since the costs in Korea have gone up and they can do what the Japanese have done, by relocating labour-intensive or partially labour-intensive industries to Malaysia," he said.

The prime minister said that even during his meetings with the Korean private sector in the two days he was here, construction companies told him of their plans to bid for more construction projects in Malaysia, including the new Kuala Lumpur International Airport in Sepang and port facilities in Port Dickson being planned by the Negeri Sembilan government. -- more

AU MGN

▼25/05/14-59MST

CNS6781

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Mahathir-Korea 2 Seoul

Dr Mahathir said Korean companies had also expressed interest in a number of areas, including the motor industry as well as the setting up of a cement plant in Negeri Sembilan.

So far, Korean companies have invested in two cement plants in Malaysia -- Hanjoong Cement in Perak and Langkawi Cement.

Asked why there was a lack of Korean investment in other industries in Malaysia, he said this was due to their inward-looking investment approach in the past, given their sufficient domestic investment opportunities.

"But now they have reached a stage where they want to expand and they are thinking of investing outside of Korea," he said.

Asked about Korea-Malaysia trade, he said that though trade was now in Malaysia's favour, Malaysian companies should export more manufactured goods to South Korea while Malaysia could source from here many kinds of machinery. -- more

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Commenting on his talks yesterday with Philippine President Fidel Ramos, who was also here to address the forum, Dr Mahathir said they discussed bilateral issues as a follow-up to their meeting during Ramos' visit to Kuala Lumpur in January.

"President Ramos is happy that there is now keen interest among Malaysian companies to invest in the Philippines, especially in the Subic Bay area and in the field of power generation," he said.

Dr Mahathir said he assured Ramos that the government would give the necessary back-up to Malaysian companies wanting to invest in the Philippines.

"Malaysian companies are now investing abroad to help in the development of other countries in the same way as Malaysia has benefited from foreign investment in its development," he said. -- Bernama

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