

Think long-term, PM tells Ma *Over M-overs trips* Signed: 30 deals

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From Zainon Ahmad

BEIJING, Tues. — Malaysian companies and their Chinese counterparts today signed about 30 agreements and memorandums of understanding (MOUs) in various fields to consolidate two-way economic collaboration between the two countries.

Prime Minister Datuk Seri Dr Mahathir Mohamad witnessed the signing after the joint meeting of Malaysian and People's Republic of China (PRC) businessmen here.

At the ceremony, Petronas signed five agreements with China Petrochemical Corporation (Sinopec), one of them in-

The Prime Minister also fielded questions about investment opportunities in Malaysia for Chinese businesses, incentives available and the domestic market.

He said that the meeting was another step forward towards bringing businessmen of the two countries together, both in terms of understanding the countries better as well as jointly developing the business opportunities.

"It reflects also the seriousness on the part of the two countries to step up efforts to enhance further bilateral trade and economic relations," he said.

In his speech at the meeting, the Prime Minister said he visualised a belt of mod-

ern industrialised nations with high standards of living, stretching from Korea, Japan, the PRC, Vietnam and down into the Asean region.

Other companies involved in the MOUs include Berjaya (four agreements with total investments of RM1.06 billion): Mamee Double Decker (M) Bhd; UMW Group; Malaysia Airlines; Sarawak State Economic Development Corporation; Hicom; Sungei Way Holdings; Metroplex and the Lion Group.

At a dialogue during the meeting, the Prime Minister told Malaysian businessmen investing in China to go into long-term joint ventures rather than be motivated by short-term gains.

Dr Mahathir said while it was up to the individual businessmen to decide on the types of ventures they wanted, he was certain many would take advantage of the ample opportunities for long-term business ventures.

He was responding to a question from a businessman who wanted to know whether Malaysians were in China for long-term partnership or short-term gains.

Malaysian businessmen with China

ern industrialised nations with high standards of living, stretching from Korea, Japan, the PRC, Vietnam and down into the Asean region.

Dr Mahathir said East Asia would be a region with the strongest economic weight in the world and with the biggest market and that it would likely come about within the next few decades.

In this regard, he said an East Asia Economic Caucus (EAEC), which the PRC could assume an important role in realising, would certainly provide an excellent forum for consultation amongst the East Asian countries.

With the active support of the PRC, which lies at the very hub of East Asia — generally acknowledged as the fastest growing region in the world — the proposed EAEC would have a better chance of dispelling the unwarranted fears of some countries as regard the motives behind this regional

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initiative.

"The PRC, beyond doubt, will rank as a very important player in the EAEC, given her desire to be part of what is happening in East Asia; to share in the fortunes and ills encountered by East Asia; and to help in providing direction and a sense of purpose for the betterment of the political and economic well-being of East Asia as a whole," he said.

The Prime Minister had arrived on Sunday with his wife, Datin Seri Dr Siti Hasmah Mohamed Ali, for an official visit.

During his meeting with Chinese Prime Minister Li Peng yesterday, the Chinese Government indicated its explicit support for the EAEC and suggested that Malaysia keep it informed of the latest developments on

the proposed forum.

Dr Mahathir told the businessmen that about 40 Malaysian companies had already invested in the PRC since the implementation of the "open door policy" and modernisation programmes to attract foreign investments.

He said many more Malaysian companies were currently negotiating with Chinese joint-venture partners to participate and invest in various projects.

"I believe the PRC has been, and will continue to be, the main attraction for Malaysian companies — opportunities still abound in the PRC," he said.

The Prime Minister said while interest was focused on the China market, Chinese businessmen should not lose sight of the tremendous potential of the Asean

region and Malaysia in particular.

Malaysia could serve as a pivotal point for gaining access to Asean — a potential market of 340 million people — a dynamic grouping with a growth rate of 5.5 per cent in 1992, which was rapidly shifting towards industrialisation.

In so far as Malaysia was concerned, Dr Mahathir said interest in the PRC, both as an investment location and a market for goods and services, was on the increase due, among others, to the fiscal and non-fiscal incentives.

"What is required is greater interaction, both at the level of Government and the private sector, to identify areas where collaboration between Malaysia and the PRC would generate greater economic benefits," he said.

He also praised the PRC's economic reforms begun 15 years ago which had transformed the country into a strong international economic entity with the potential of becoming an economic superpower.

He said like other countries in the region, China had discovered the international trading environment to be full of pitfalls owing to the unfair terms of trade and preconditions for market access imposed "upon us" by the West.

In the afternoon the Prime Minister toured the National Treasure Hall and the China Arts and Crafts Centre by calling on President Jiang Zemin at the Zhongnanhai.

In the evening Dr Mahathir and his delegation were guests at a state banquet hosted by Li.