

Dr M: CHINA 5 70 JUN 1993 MAIN DRAW

(P) overseas trips

BEIJING: Datuk Seri Dr Mahathir Mohamad believes that China, with its vast business opportunities, will continue to be the main attraction for Malaysian companies.

The Prime Minister said, therefore, Malaysia's interest in China, both as an investment location and a market for goods and services, was on the increase.

Dr Mahathir, on the third day of his 10-day official visit, said this at a joint meeting of Malaysian and Chinese businessmen here yesterday.

"In this regard, I am pleased to note that to date, more than 37 Malaysian companies have invested in the People's Republic of China since the implementation of the 'Open-Door Policy' and modernisation programmes to attract foreign investments," he said.

"I am also aware that many more Malaysian companies are now negotiating with Chinese joint venture partners to participate and invest in various projects" (see also Page 2).

He was confident that these overtures would result in some business ventures for the mutual benefit of the two countries.

He said another area that Malaysia could contribute was in services for which the Malaysians had considerable experience.

Malaysian companies, for a start, could seek out opportunities to export their expertise as well as participate in some of China's rapid infrastructural programmes.

"I believe China has been, and will continue to be, the main attraction for Malaysian companies," he said.

"Opportunities abound. While interest is focused on the China market, I would like to remind the Chinese businessmen not to lose sight of the tremendous potential of the Asean region and Malaysia, in particular."

Dr Mahathir said Malaysia could also serve as a pivotal point for gaining access to the Asean market.

He added that with the imple-

mentation of the Common Effective Preferential Tariff scheme for the Asean Free Trade Area, intra-Asean trade would be increased.

"In so far as Malaysia is concerned, interest in China, both as an investment location and a market for goods and services, is on the increase," he told the business group.

"For businessmen, the most

important factors in the decision process are the political stability of the country, predictability and transparency of rules and regulations pertaining to industry and trade and, more importantly, a pro-business government.

"These factors, coupled with both fiscal and non-fiscal incentives, will be taken into consideration by any Malaysian businessman in his venture overseas.

"What is required is greater interaction, both at the level of government and the private sector, to identify areas where collaboration between Malaysia and China will generate greater economic benefits."

About 160 Malaysian businessmen are in the Prime Minister's delegation.