

Malaysia keen on direct China trade

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From Zaimon Ahmad

SHENZHEN, Mon. -Malaysia today expressed its preference for an expansion of direct bilateral trade with China to indirect dealings through third countries.

At the moment, China's import of Malaysian goods through such countries as Hong Kong and Singapore is still very prominent.

"Trade with third countries in goods originating from Malaysia cannot be regarded as trade with Malaysia as such trade already appears in the records of our trade with such countries," Prime Minister Datuk Seri Dr Mahathir Mohamad said at the joint meeting of businessmen from Malaysia and China.

Later, he and Shenzhen Mayor Li Youwei were involved in a dialogue with businessmen of both countries over investment opportunities and incentives provided by China and Malaysia.

Dr Mahathir said two-way trade between Malaysia and China had increased from RM1,647 million in 1987 to RM4,446 million in 1992, with imports from the country surpassing Malaysia's exports to her.

Malaysia's 1992 total exports to China was RM1,961 million, constituting an insignificant amount of China's total imports — about 0.94 per cent.

He, however, said his meetings with Chinese leaders and the meetings with businessmen would contrib-

ute and enhance bilateral economic and trade cooperation for the mutual benefit of the two countries.

The two countries achieved high growth rates in both exports and imports in recent years and should they co-operate and take advantage of their respective assets, they could make even greater impact in the international market.

Dr Mahathir said since the implementation of its market-reforms and "open-door policy", China was becoming an important exporter and importer in world merchandise trade.

Last year, China recorded another year of buoyant growth of 52.8 per cent in real terms while its manufacturing output increased from 14.4 per cent during 1980-1991. Its 1992 manufac-

turing growth rate was 20 per cent.

"With the continuing inflow of direct foreign investments into the PRC, amounting to US\$58.6 billion (RM152 billion) in 1992 alone, I am confident that the PRC will continue to reap the benefits of this accelerated economic development," he said.

Dr Mahathir urged more Malaysian businessmen to tap the vast potential of the China market. Already some of them had made successful inroads in property and hotel development, palm oil refining, timber industries, manufacture of spring mattresses, cables, copper alloy, corrugated cartons, rubber products, animal feed, food and tiles.

"Although these investments are relatively small in the context of overall direct foreign investment into the PRC, they are, nevertheless, significant considering that both our countries have only recently lifted travel restrictions," he said.

The Prime Minister said the Malaysian Government encouraged reverse investments, and Malaysians could invest in the PRC where there was a more competitive and cost-efficient environment.

By entering into joint ventures with Chinese enterprises, Malaysian businessmen could benefit from the PRC's vast resources, educated workforce, relatively low cost of production and a huge domestic market.