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MALAYSIAN INVESTORS BEGIN LOOKING OUTWARD

from Abdul Rahman Sulaiman

② Trip overseas

SHENZHEN, June 21, (Bernama)--The government's encouragement to Malaysian businessmen to look outward; for reverse investment is beginning to produce results, Prime Minister Datuk Seri Dr Mahathir Mohamad, said today.

He said Malaysian investments had now been successfully located in Iran, Papua New Guinea, Cambodia, Vietnam, Thailand, and the South Pacific and other countries.

Addressing about 300 Malaysian and Chinese businessmen here, Dr Mahathir who is at the end of his 10-day official visit to China, said he was pleased to note that the Malaysian private sector had made successful inroad 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 and many other areas.

He said that, though these investments were relatively small in the context of overall direct foreign investment in China, they were significant considering that both countries had only recently lifted travel restrictions.

+However, the number of visits by companies and people has increased rapidly and, no doubt, this will contribute to further enhancing economic cooperation between businessmen of both countries, he said. -- more

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He urged Malaysian and Chinese businessmen to set up more joint ventures for their own benefit and the benefit of both countries.

He said that by coming together with their Chinese counterparts; Malaysian businessmen could benefit from China's vast resources, educated workforce, relatively low cost of production and a huge domestic market.

The Chinese, on the other hand, could put to good use Malaysia's high level of management skills, capital funds and an in-depth and extensive knowledge of free market practices.

China last year recorded another year of buoyant growth of 12.8 per cent in real terms.

Its manufacturing output increased by 14.4 per cent during the 1980 to 1991 period while last year's manufacturing growth rate was at 20 per cent.

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Dr Mahathir said he was confident that with the continuing inflow of direct foreign investments into China, which last year alone amounted to US\$58.6 billion (MS\$46.5 billion), it would continue to reap the benefits of the current accelerated economic development.

The prime minister said it was also the government's wish to see the expansion of direct bilateral trade instead of through third countries which was still very prominent.

Dr Mahathir said trade with third countries in goods originating from Malaysia could not be regarded as trade with Malaysia as such trade already appeared in records of her trade with such countries.

Two-way trade between Malaysia and China increased from RM1,647 million in 1987 to RM4,446 million last year, with imports from China surpassing Malaysia's exports to it.

He said Malaysia's 1992 total exports to China amounted to RM1,961 million, which represented an insignificant 0.94 per cent of its total imports. -- Bernama

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