

Dr M: Trade with S. America up 30

South-South

From
Ahmad A. Talib
in Lima

MALAYSIA'S trade with South American countries has grown by 300 per cent since 1991 and is likely to grow even further, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

The figure had grown steadily since he first visited Latin America in 1991 and he was confident it would increase further once more opportunities had been identified.

Dr Mahathir said this when speaking to Peruvian businessmen. He was accompanied by Foreign Minister Datuk Abdullah Ahmad Badawi, Transport Minister Datuk Seri Dr Ling Liong Sik, Culture, Arts and Tourism Minister Datuk Sabbaruddin Chik, Deputy International Trade and Industry Minister Kerk Choo Ting and Selangor Menteri Besar Tan Sri Muhammad Muhammad Taib.

The meeting was also attended by leading Malaysian and Peruvian businessmen seeking to widen business contacts and look for possible opportunities.

Dr Mahathir said Malaysia would like to see more direct trade between Malaysia and Latin American countries. This would result in lower costs and give greater impetus for trade to flourish.

The Prime Minister said contacts between Malaysia and Peru in the past had been minimal but he hoped it would grow in the coming years. Better transportation links would help promote more people-to-people contacts and this would naturally lead to increased trade, he said.

He also told the audience that the move to increase trade with South American countries was consistent with Malaysia's policy of diversifying its markets and establishing new trading partners. Hence, Latin American countries such as Peru were welcome to trade in Malaysia.

The Prime Minister then

fielded questions from Peruvian businessmen. He was asked to explain the rationale for Vision 2020, the role of the Malaysian External Trade Development Corporation (Matrade), co-operation between the public and private sectors, the Malaysian car and its manufacturing prospects, Japan's economic situation and Malaysia's financial management techniques.

He said Malaysia would study the possibility of manufacturing the Proton in Peru with a view of selling the car to the rest of South America. Currently, Proton's manufacture overseas is in the Philippines, and further expansion would always be considered.

Asked what other factors contributed to Malaysia's economic success, Dr Mahathir said the close co-operation between the public and private sectors was one major factor.

He said this was a model taken from Japan where the close dialogue between the Government and industries had helped the Land of the Rising Sun to record impressive growth for many years.

The formation of a Malaysian Business Council where dialogue could be regularly held between the two had also been a big help, the Prime Minister said.

Peruvian businessmen also asked the Prime Minister on ways to control inflation. They were particularly keen to know how Malaysia had managed to keep down inflation to single digits especially since Peru had experienced hyper-inflation for so many years.

The Government of President Alberto Fujimori, however, has reduced inflation in recent years and the businessmen were hopeful the Malaysian experience could help them further.

Dr Mahathir said inflation control could best be done by first educating everyone that they should increase productivity and work hard to improve purchasing power. He said controlling production costs was also crucial in curbing inflation.

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