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Last of a two-part special report
CROATIA: OPPORTUNITIES FOR MALAYSIAN INVESTORS

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KUALA LUMPUR, May 15 (Bernama) -- When the Malaysian External Trade Development Corporation (Matrade) spearheaded the Malaysian Products Exhibition '96 in Zagreb, Croatia, on April 16, it had one set vision - Malaysian investors must seize whatever opportunities available.

"No venture no gain. They must have the pioneering spirit and be competitive; think of the peace process, the transformation of its economy and reconstruction after the war and everybody can get a piece of the cake," Matrade chief executive Samsudin Marsop said in Zagreb recently.

Prime Minister Datuk Seri Dr Mahathir Mohamad opened the five-day exhibition on April 18 held in conjunction with the Zagreb International Trade Fair which saw the participation of 28 Malaysian companies.

Yusof Abu Othman, chairman of property development company Tiarasetia Sdn Bhd, said that trade fairs were the best platforms for Malaysian companies to make known their products to the world.

The best promoter of the company's products and services would be the chairman himself. "You must be here yourself, don't just send your deputy," said Yusof, who also has a tie-up with Rahika Holdings Sdn Bhd, a bumiputera property and trading group which is participating in the exhibition.

Croatian Ministry of Economy foreign economic relations department counsellor Alem Pocrnja said abundant opportunities existed for Malaysian investors to tap in Croatian industries -- tourism, shipbuilding, food, medicine, textiles, furniture, engineering, telecommunications equipment, chemicals and construction.

In the field of medicine, a Croatian research institute invented an antibiotic azithromycin, a member of a new class of macrolide antibiotics, termed azalides, which is active against most common pathogens that cause infections of the respiratory tract, skin and soft tissue, and sexually transmitted diseases.

Called Sumamed, it was launched in the Croatian market in 1988 and jointly marketed throughout the world with a leading American pharmaceutical company, Pfizer.

In shipbuilding, Croatian shipbuilders are able to build any type of vessel, from a battleships to submarines and double-hulled tankers to elegant cruise and passenger vessels.

Over the past 38 years, ships of all types and sizes have been delivered to owners locally and in 70 countries around the world.

Pocrnja said Croatia could transfer its technology and know-how to Malaysian companies and train personnel too.

In the textile and clothing sector, Cateks produces an assortment of cotton-printed fibres (cloths, bed linen), bathroom sets (shower curtains, carpets), children's clothing (dresses, shorts), working clothes (jackets, trousers, overalls) and artificial leather for shoes, ready-made clothes, fancy goods and upholstery.

Its products are exported to Austria, Belgium, Britain, the Commonwealth of Independent States, Czechoslovakia, Denmark, France, Germany, Hungary, Italy, Romania, Slovakia and the United States.

There was a possibility of importing silk and raw materials from Malaysia for the Croatian textile and clothing industry, he said, adding that the final product could be re-exported on joint venture basis.

Another profitable venture is the manufacture of confectionery --

chocolates, sweets and candy. At present, Kras, one of the largest confectionery and biscuit manufacturers in Croatia, imports cocoa powder from Ghana.

This was a potential area where Malaysia, one of the largest producers of cocoa, can penetrate, said Pocrnja.

In tourism, Croatia boasts 1,185 islands, of which only 66 are inhabited. In 1990, some five million foreigners visited Croatia and stayed a total of 34 million bed-nights. The total number of tourists who visited Croatia in 1994 amounted to 3.4 million, and 2.3 million of them came from foreign countries.

At the same time, Croatian convention tourism was also assuming importance. The year 1996 marked the beginning of a revival of the tourist industry which would be reflected in convention tourism.

Milan-based Malaysian Trade Commissioner Mokhtar Abdullah said there was vast potential in reconstruction, such as providing building materials, roads and railways, as Croatia was embarking on an expansion programme.

Among other things, it planned to expand the existing airport as well as build new ones to link its islands, he added.

It was also looking for investors to develop golf courses. At present, there was not a single golf course in Croatia.

Many houses had been damaged during the war and some 190,000 refugees were being housed in hotels in Croatia, said Mokhtar. Most of the refugees are from Bosnia and others came from Austria, Germany and Holland.

He said the government needed to build 20,000 houses a year for its people and was inviting tenders from interested businessmen.

According to Pocrnja, the Croatian government had sought a US\$100 million loan from the World Bank for the reconstruction of properties damaged during the war.

Since gaining independence, Croatia had been confronted with serious economic and financial burdens - the cost of transforming the economy, and the cost of the war and its consequences (war damage, care of refugees and displaced persons) which caused inflation to grow.

Malaysia's Trade Commissioner in Bosnia Dzul kifli Mahmud said the Bosnian government was also in hurry to provide infrastructure for the refugees.

There were plans to create job opportunities for them, and Malaysian companies were also encouraged to participate in reconstruction projects for infrastructure, healthcare and telecommunications.

Bosnia, he added, was practically importing everything, mainly from Hungary, Germany, Croatia, Poland and Italy, and payments were made in German marks.

In terms of business potential, Malaysians could supply foodstuffs as most of the food processing plants in Bosnia had been destroyed in the war, he said.

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