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DAIM TELLS M'SIAN ENTREPRENEURS TO ENTER CHINA'S GROWTH SECTORS

By: Yong Soo Heong

KUALA LUMPUR, Sept 2 (Bernama) -- Tun Daim Zainuddin, the economic adviser to the government, has called on Malaysian entrepreneurs to venture out from their traditional areas of investment in China.

Officiating the "China-Asia Forum" here today, he said they should look at various areas which the Chinese authorities had identified as "pillar industries" such as automotives, electronics, petrochemicals, machinery and building materials as well as strengthen their involvement in the existing industries.

The two-day forum is organised by The Asia Business Forum and TNC Consultants. Its participants include members of All-China Federation of Industry and Commerce and the All-China Chamber of Industry and Commerce.

On total trade, Daim said it had increased three-fold to US\$3.7 billion (about RM9.21 billion) last year from US\$1.2 billion (about RM2.98 billion) in 1990.

China, he said, had since become Malaysia's 10th largest trading partner.

Daim said almost half of Malaysian investment in China was in property development while about 31 was in services and the rest in manufacturing, retailing and infrastructure facilities.

Most of Malaysian investment, which totalled about US\$720 million (about RM1.79 billion) as at May this year, was also concentrated in the southern part of China in the provinces of Guangdong, Fujian and Hainan.

Daim told Malaysian entrepreneurs to be more adventurous and enlarge their participation in the Chinese economy by entering into strategic alliances with their counterparts in China.

He said there were tremendous opportunities for all as China, with a population of 1.2 billion, increased her prosperity in a market-based economy, adding that there were an estimated 60 million people in China with incomes of more than US\$1,000 (about RM2,490) or more each.

The requirements of this group of people would be great and entrepreneurs should not lose sight of this fact, he said.

"These new consumers will need anything from household durables although they represent a small fraction of the population, the potential for such a huge consumer market is unimaginable," he added.

Daim, saying that Malaysia's relations with China dated back some 600 years, also said that Malaysia did not see China's increasing modernisation and prosperity as a threat to other countries in the region.

He added that history had shown that China had not colonised any other country and this would continue to prevail.

"We in Asia do not see China as a fire-breathing dragon out to consume all and sundry," he said. "To us a prosperous China is a force for good and stability, not only will be able to sell our goods and services in the mass Chinese market but we will also be able to invest in the world's most populous country."

China's modernisation necessitated the total and unflinching support of all those who want peace and prosperity in Asia, particularly east Asia, he stressed.

Daim also said that he believed that there would be more investment and trading opportunities once the proposed rail link between South East Asia countries and China was completed.

The opening of the rail link would complement the "open door" policy of

China, he said.

Earlier, Encik Hong Lee Pee, executive chairman of Pilecon Engineering Bhd, said China has a lot to offer in terms of trade and other development activities to other countries of Asia and vice versa.

Many Asian countries had invested in China and some Chinese investors had looked to other Asian countries, said Hong, who is also chairman of the forum.

"With the Chinese "open door" policy and their pragmatic approach, and Asia's booming markets, the hope for mutual trust and business looks most promising from both sides," he added.

Hong felt that the relationship between China and other Asian countries would be further strengthened and ultimately lead to a prosperous and highly-advanced Asia.

He said the Cold War had led some countries to believe that China is aggressive and fairly militant.

On the contrary, he said China had not forced its way into the Koreas, Vietnam, Thailand or Malaysia during its years of great strength.

Meanwhile, Prime Minister Datuk Seri Dr Mahathir Mohamad, in his message to the forum, said two-way trade between Malaysia and China had grown annually by 29 percent over the last five years.

He said China, through her economic reform, was expected to become an economic powerhouse in the increasingly globalised economic environment.

The emergence of China as a new market economy had caused much excitement in the international arena as its economy entered a new wave of rapid development, he said.

China's vice premier and foreign minister Qian Qi Chen, also sent a message to the forum which was read out by China's ambassador to Malaysia, Qian Jin Chang, and said it was important for China and the rest of Asia to establish a new type of "reasonable international economic environment".

In modern international economic relations, he said co-operation and opportunity were co-existing with competition and challenge. -- BERNAMA

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