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Mahathir-Thailand

KL AND BANGKOK SHOULD INCREASE DIRECT INVESTMENTS, SAYS PM

KUALA LUMPUR, May 29 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said tonight Malaysia and Thailand can do more to increase direct investments, an area of weakness in bilateral relations.

He said despite the incremental expansion in bilateral trade, Thai direct investments in Malaysia last year amounted to only RM552 million.

Dr Mahathir said the bulk of the investments was in rubber products, food manufacturing and textile industries which accounted for over 85 per cent of all Thai investments in Malaysia.

Likewise, he said, Malaysian investments in Thailand have been equally unimpressive.

"More can be done to upgrade this particular sector," he said at a dinner in Sri Perdana in honour of Thai Prime Minister Banharn Silpa-Archa who arrived today for a two-day official visit.

He hoped the businessmen accompanying Banharn will explore with their Malaysian counterparts new investment and joint-venture opportunities, either in the domestic market or in third countries, particularly in the manufacturing, transportation, utilities and communication sectors.

Dr Mahathir said he was happy to note that Thai and Malaysian companies together with the Indonesians are actively discussing a "land bridge" that will alleviate traffic congestion in the Straits of Melaka.

This will also create new centres of growth in southern Thailand and northern Peninsular Malaysia and north Sumatra, he said.

"Its advantages for our countries are obvious and I am confident our governments will give it the support it deserves," he added.

The Prime Minister said another important achievement is the creation of the Joint Development Authority to jointly exploit and equitably share the benefits of non-living resources in the overlapping continental shelf

"We will soon reap the fruits of the vision of past leaders," he said.

Dr Mahathir told Banharn that Malaysia welcomes Bangkok's initiative to forge land communication links between Thailand and the countries of Indo-China which will bring the region closer and also enable Malaysia to gain access to these countries.

"I see similar motivation when Thailand agreed with Malaysia to promote the idea of a growth triangle involving northwest Peninsular Malaysia, southern Thailand and northern Sumatra (IMT-GT).

"The idea of exploiting our respective comparative advantages to develop a common growth area was not only economically logical but politically desirable as well," he said.

Dr Mahathir said by encouraging the private sector to lead in the development of the IMT-GT, the three countries "are planting the seeds of real cooperation between our private sectors, to prepare them for bigger things when the Asean Free Trade Area is fully realised".

The Prime Minister said he was deeply convinced that the depth of mutual understanding and trust between Malaysia and Thailand has significantly contributed to the overall atmosphere of peace and cooperation in the region.

"Indeed, in the case of Asean, the sum of its parts truly constitutes the better whole," he said, adding that Asean has now become a forum capable of sustained cohesiveness where political, security, economic and functional cooperation issues have been and continue to be effectively addressed and managed.

On the East Asia Economic Caucus (EAEC), Dr Mahathir said he was grateful to the Thai government for being one of the earliest to see and support the logic of EAEC, which is one of the agenda of Asean.

He said the EAEC, a forum not directed against anyone, will provide the opportunity for the expanding economies of East Asia to discuss economic matters of common concerns.

"An East Asia that is able to develop orderly with minimal dislocations surely would be good for everybody," he added. -- BERNAMA

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