

07 DEC 1996

Mahathir-Investors

MAHATHIR CALLS ON SAUDI INVESTORS TO USE MALAYSIA AS SPRINGBOARD

By: Zulkefli Salleh

RIYADH, Dec 7 (Bernama) -- Datuk Seri Dr Mahathir Mohamad has called on Saudi investors to step up their presence in the Asean region by using Malaysia as a springboard for production and distribution of their goods in the region.

They must not only look at the opportunities available in Malaysia but should consider Malaysia as a strategic location in the region as a whole, he said.

Asean, with the inclusion of Vietnam now has a population of 420 million and all the member countries registered an average annual economic growth of between seven to nine per cent, he said.

Dr Mahathir was speaking at a dialogue with council members of the Riyadh Chamber of Commerce and Industry here on his third day of the four-day official visit to this oil-rich Kingdom.

The visit is at the invitation of King Fahd Abdul Aziz Al-Saud, the custodian of the Two Holy Mosques.

Intra-Asean trade for the Jan-June 1996 stood at US\$56.2 billion (RM140.5 billion) and a Gross Domestic Product (GDP) of around US\$510.7 billion (RM1,276.75 billion). The Asean market will swell to nearly half a billion people when three more countries join the grouping soon.

Dr Mahathir said Saudi investors would gain from the completion of the Asean Free Trade Area or Afta by the year 2003 which will not have tariffs more than five per cent across the board.

"The huge market and its liberal trading environment will indeed provide and offer tremendous business opportunities in the near future," he said.

He said Malaysian companies had invested in Muslim countries and hoped other Muslim countries would invest in Malaysia to diversify Foreign Direct Investment (FDI).

Dr Mahathir also enlightened Saudi investors on various incentives offered to foreign investors including on the Labuan Offshore Financial Centre and the availability of Islamic banking system in Malaysia.

He said there was great desire on the part of many Islamic banks to be involved in project financing particularly in East Asian countries where a growing number of new major projects have been proposed and in the process of implementation

The 90-minute dialogue aroused interest among Saudi businessmen to invest in Malaysia when a council member suggested the formation of a Saudi-Malaysia Business Council to enable closer interaction between them.

In supporting the idea, Dr Mahathir suggested that Saudi businessmen also utilised the data bank set up under the Group of 15 (G-15) which provides wide and comprehensive information on business and trade opportunities in G-77 countries.

The Prime Minister also briefly outlined Malaysia's strategy in keeping abreast with the rapid development of information technology which has great bearing on business and trade competitive edge with the setting up of the Multimedia Super Corridor (MSC).

Saudi Minister of Commerce Osama Jaafar Faqih, who was also present, gave an assurance that the Saudi government would give its full support to both Saudi and Malaysian businessmen to enhance cooperation.

Also present at the dialogue held at the chamber's building were Foreign Minister Datuk Abdullah Ahmad Badawi, Education Minister Datuk Seri

Najib Tun Razak, Defence Minister Datuk Syed Hamid Albar, Minister in the Prime Minister's Department Datuk Dr Abdul Hamid Othman and Economic Adviser to the Government Tun Daim Zainuddin.

Among the Malaysian corporate figures present were Tan Sri Tajudin Ramli and Tan Sri Yahaya Ahmad. -- BERNAMA

ZULS TS