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Anwar-Diversify

MALAYSIA WANTS TO DIVERSIFY EXPORTS TO SOUTH KOREA

KUALA LUMPUR, Sept 12 (Bernama) -- Malaysia wants to diversify its exports to South Korea to include manufactured and semi-manufactured goods, Deputy Prime Minister Datuk Seri Anwar Ibrahim said tonight.

He said this was needed as in the past bilateral trade between Malaysia and South Korea had always been in Malaysia's favour but in the last two years this trend had changed.

In the first four months of this year, total trade stood at RM5.13 billion, he said after hosting a dinner for the South Korean deputy prime minister, Dr Han Seung Soo, here.

Dr Han left for home tonight after a three-day visit. While here he met Prime Minister, Datuk Seri Dr Mahathir Mohamad.

Anwar said by diversifying exports, Malaysia could help reduce its trade deficit which saw an increase to RM2.76 billion last year compared to RM658 million in 1994.

The widening of the trade deficit was mainly due to the increase in imports of electronic circuits, gold, iron and steel products whereas Malaysia's exports consisted mainly of lower unit priced goods such as non-processed products.

"As you have seen the balance of payment problem is due to the import of intermediate goods and this is critical in our part and Malaysia will develop the industrial sector to overcome this, " he said

Anwar said South Korea was Malaysia's seventh largest trading partner last year. Total trade between the two countries amounted last year to RM13.15 billion, an increase of 41.9 per cent over 1994.

He said bilateral trade had developed rapidly over the last several years and this was evident in the growing volume of trade and investment by Korean companies.

"Malaysia believes in the long-term potentials of trade and cooperation with South Korea. We believe that the cooperation we are now nurturing will be naturally beneficial for our two countries and we look forward to further strengthening of cooperation and joint-venture activities," he said.

Anwar said Dr Han's visit was timely and hoped it would encourage more investment from South Korean companies and help develop the small and medium scale industries in Malaysia.

He said Malaysia lacked a strong and efficient SMI network that could supply quality components at competitive prices to the Multi-National companies.

Anwar also gave his assurance that Malaysia would carry out follow-up action on all the issues which had been brought by both sides during Dr Han's visit.

He said Malaysia wanted to be a developed country and it was facing many challenges ahead which were indeed difficult but not insurmountable.

"Malaysia needs assistance and South Korea is one nation which has gone through the process and proved to the world that developing nations particularly from East Asia could succeed," he said.

Dr Han, who described Malaysia as a pace setter in economic development in the region, hoped both countries could increase bilateral cooperation.

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