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PM-Business

MALAYSIAN FIRMS TOLD TO PENETRATE CENTRAL ASIA VIA KYRGYZ

By: Rachman Nordin

BISHKEK, July 16 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today advised Malaysian companies to use the Kyrgyz Republic as a base to penetrate the central Asian market now set to become a free trade area under the Central Asian Economic Union.

"The proposed market integration which would create a larger market in Central Asia would help sustain industries that would otherwise not be possible," he told a Kyrgyz-Malaysia business meeting here on the second day of his official visit.

On the part of the Kyrgyz Republic, he said, its businessmen should use Malaysia as a staging point to expand their trading operations with other countries in Southeast Asia.

They could take advantage of Asean, of which Malaysia is a member, becoming a free trade area by the year 2000 with zero tariff for most manufactured products and a market of 420 million, he said.

The meeting was attended by Kyrgyz businessmen and members of an 81-strong delegation of top Malaysian executives accompanying Dr Mahathir, led by Malaysia Airlines chairman and chief executive Tan Sri Tajudin Ramli.

Also present was Dr Mahathir's Kyrgyz counterpart Apas Jumagulov.

The Central Asian Economic Union, of which Kyrgyz is a member, groups neighbouring Kazakhstan and Uzbekistan.

Kyrgyz and Kazakhstan, with a combined population of 22 million people, have lifted customs barriers between them resulting in increased trade volume.

Dr Mahathir said the move provided opportunities for Malaysian companies to consider using Kyrgyz as a base for their business operations in Central Asia.

The current level of economic cooperation between Malaysia and Kyrgyz is still low with trade amounting to only US\$0.33 million (RM825,000) and virtually comprising Malaysian imports from Kyrgyz, he said.

He urged Malaysian businessmen to complement efforts by the Kyrgyz government by going into joint ventures with the republic's small and medium scale industries.

There are reportedly 5,600 small and medium scale businesses and cooperatives in the republic.

Dr Mahathir was confident the republic, being well-endowed with minerals, leather, wool and cotton, could support viable manufacturing industries.

He offered to share with Kyrgyz the considerable experience of Malaysian companies in highway construction, housing and hotel development, power supply, oil and mineral exploration, and telecommunications.

Dr Mahathir said Malaysia's experience had shown that one of the prerequisites for sustained economic take-off is an efficient infrastructure system.

"It is therefore fitting that the Kyrgyz Republic is targeting to upgrade its highway, communication facilities and power generation to support other economic activities of the country," he said.

Kyrgyz has set a minimum long term growth target of between three and four per cent and doubling of the gross domestic product (GDP) by year 2005. -- BERNAMA

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