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Mahathir-Vietnam

M'SIA-VIETNAM COOPERATION TO OPTIMISE UTILISATION OF RESOURCES

By: Zainoor Sulaiman

HO CHI MINH CITY, March 9 (Bernama) -- The different stages of development between Malaysia and Vietnam will not stand in the way of finding complementary areas to trade and invest, resulting in optimal utilisation of resources within the Asean region of 400 million consumers, Datuk Seri Dr Mahathir Mohamad said today.

"As a member of Asean, Malaysia is fully committed to sharing its experiences with Vietnam," the prime minister said in his address to the Joint Business Luncheon Meeting, here, shortly after his arrival from Danang, on the last leg of his three-day working visit to Vietnam.

Dr Mahathir said it was refreshing to note that in East Asia there had been a tremendous increase in intra-regional trade and investment flows leading to greater integration of markets.

"The establishment of Afta (Asean Free Trade Area) is but a formalisation of the market-driven economic integration process aimed at accelerating trade and investment among Southeast Asian countries," he said.

Saying that East Asia was set to become the dominant region of the world economically, politically and culturally in the year 2000, he said Vietnam and Malaysia, which are part of this dynamic region, should work together to ensure that prosperity did not pass them by.

"New ways of enhancing bilateral economic cooperation must be explored so that growth of this region is shared," he said.

Dr Mahathir said Malaysia placed great importance on developing trade and economic cooperation between countries in the South and in line with this spirit the government had encouraged Malaysian companies to invest and contribute to capacity enhancement of the South countries including Vietnam.

"It is therefore imperative that we, who are from the countries in the South, do more business among ourselves," he said.

He said the rapid increase in the bilateral trade between Malaysia and Vietnam proved that there existed many complementarities among the two economies for trade.

The value of bilateral trade between Vietnam and Malaysia rose from US\$55 million in 1990 to almost US\$272 million in 1994 and was expected to have exceed US\$350 million last year. (US\$1=RM2.50)

"I would like to urge the Vietnamese and Malaysian business communities to work together to increase and to diversify the range of products traded between our two countries," he said.

Under Afta, Vietnam has offered a package of 1,638 items for tariff reductions, which include machinery, mechanical appliances, paper and paper boards, chemicals, precision medical instruments, plastics, iron and steel.

Tariff reductions of these items would further facilitate business and joint venture opportunities between Vietnam and Malaysia, he said.

Urging the Malaysian business community here to be fully involved in the economic development and reconstruction of Vietnam, Dr Mahathir said they should share their experience and expertise with their Vietnamese counterpart, seek lasting business relationship that was mutually reinforcing and beneficial and remain responsible at all times.

He said was confident that Vietnam, an emerging market with a high rate of literacy and abundant natural resources, would in the not distant future, join Asean's rapidly industrialising countries.

Later, during a dialogue session, Dr Mahathir said Malaysia was not only keen to enter into a joint venture with Vietnam in rice production but also in other agricultural produce like rubber and palm oil.

He said that as more agricultural land in the country was being redeveloped for industrial use, Malaysia had to turn to neighbouring countries to undertake joint ventures in agro-based industries.

He said it was the policy of the government to produce only 65 per cent of its rice consumption so that it could import the rest from neighbouring countries to promote bilateral trade.

To a question, he said Malaysia did not discriminate against Vietnam or any other country and it would pay for its imported rice based on their grades and quality.

At the end of the luncheon the prime minister and Vietnamese officials witnessed the signing of six Memoranda of Understanding (MoU) between Malaysian companies and their Vietnamese counterparts in various ventures, from planting rice to trading and manufacturing.

They include an accord signed by Padiberas Nasional Berhad (Bernas) and another Malaysian company, Super Enterprise Berhad, with the Department of Agriculture, Forestry and Fishery of Tiang Province for rice planting and milling.

Proton and Vina Stars Motor Corporation signed the licence and technical assistance agreement to enable the Vietnamese company using the knowhow, technical assistance and information from Proton to import, assemble and distribute Proton products in Vietnam.

Southern Steel Berhad entered an agreement with Hongloan Co and Singapore-based Itochu Steel Asia Pte Ltd to set up and operate a steel pipe mill in Vietnam.

Teik Tat Holding Co entered an agreement with the Tay Nonh Committee of Investment and Cooperation to establish a plant to produce ropes, nets and rubber products while Telewire & Cable Sdn Bhd signed the MoU with Lisado Electric & Electronics Co of Vietnam to establish and operate an Enamelled Copper Wires factory.

Another Malaysian company, Teletron Holding Sdn Bhd, signed an accord with Dananf Territorial Import and Export company to establish and operate a public transportation service and related business in Vietnam. -- Bernama

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