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PM-relocation

RELOCATE INDUSTRIES IN KAZAKHSTAN, DR M TELLS M'SIAN COMPANIES

By: Rachman Norodin

ALMATY, July 19 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today called on the Malaysian private sector to relocate their industries or go into downstream activities in Kazakhstan as part of Malaysia's globalisation strategy.

+Kazakhstan, endowed with a wide range of minerals, oil, gas and other raw materials, is an excellent place for such investment,+ he said when addressing a gathering of 500 Kazakhstan and Malaysian businessmen here.

Dr Mahathir urged the Malaysian and Kazakhstan business communities not to be constrained by the myth that trade cannot occur and grow among developing countries.

He said Malaysia's exports to South countries last year represented 16.9 per cent of Malaysia's total exports compared with 12.2 per cent in 1990.

The Kazakhstan Deputy Prime Minister G.Shtoik and Malaysia Airlines chairman and chief executive Tan Sri Tajudin Ramli, who led the 80-Malaysian business delegation accompanying Dr Mahathir on the visit, were present.

Since launching market reforms, Kazakhstan has emerged as one of the most stable economies with relatively high per capita income in central Asia and as an attractive destination for foreign investment.

Under its globalisation strategy, Malaysia encourages its industries to relocate or search for resources in South countries where factors of production are more competitive.

Dr Mahathir, who is on the second day of his official visit here, said opportunities for joint ventures with Kazakhstan existed in telecommunications equipment, chemical materials and products, office machine, furniture and food processing.

He said Malaysians could form joint ventures with Kazakhstan companies to import, warehouse and distribute Malaysian manufactured products to land-locked members of the Central Asian Economic Union of which Kazakhstan is a member.

Dr Mahathir said the necessary framework to enhance Malaysia-Kazakhstan business and trade ties were already in place in the form a Trade Agreement, an Investment Guarantee Agreement and an Economic, Scientific and Technical Cooperation Agreement.

+These agreements represent the sincerity and seriousness of our two countries to promote bilateral economic relations. Now it is up to the business sectors of Kazakhstan and Malaysia to go beyond these agreements to make this aspiration a reality,+ he said.

Dr Mahathir said continued relaxations of trade controls and reduction on import and export tariff levels on consumer goods such as clothing, furniture and vehicles would be a boon towards enhancing bilateral trade between Kazakhstan and Malaysia.

Direct trade between Malaysia and Kazakhstan now averaged US\$4.7 million (RM11.88 million) a year with Malaysian exports to Kazakhstan last year amounting to US\$0.98 million (RM2.5 million) and imports totalling US\$3.6 million (RM9 million).

However, Dr Mahathir said, the present low level of trade and the narrow range of products traded did not reflect the true potential of Malaysia-Kazakhstan bilateral trade.

In his address, Deputy Prime Minister Shtoik assured Malaysian

businessmen that the Kazakhstan government guaranteed +the safety of foreign investments and foreign investors' right to repatriate profits besides other additional privileges.+

Presently, Kazakhstan had more than 700 joint ventures with foreign partners from 70 countries with total trade turnover of US\$600 million (RM1.5 billion), he said.

He urged Malaysians intending to do business in his country to also take advantage of the republic's strategic location along the Istanbul (Turkey)-Lyangyung (China) sector of the existing Trans Asian Railway which became operational in May this year

Later, Dr Mahathir visited and performed Friday prayers at the city's central mosque and toured the Talgarsky communal farm outside here and the central state museum.

Earlier, Dr Mahathir laid a wreath at Victory Memorial.-- BERNAMA

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