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M'SIA, CROATIA TO TEAM UP ON US\$15 MLN POWER CABLE PROJECT IN GEMAS

By: Salbiah Said

ZAGREB, April 17 (Bernama) -- If there is one Malaysian company that has the guts to venture into Croatia it is the family-owned Bumiputera firm Pusaka Endau Sdn Bhd which took the plunge in 1994 when the former Yugoslavia was still warring.

Its managing director Ahmad Abu Kassim told Bernama here today that he would have been killed then as the hotel (Inter-Continental Hotel) that he had stayed in was an easy target for snipers of the warring parties.

It was under such difficult circumstances that negotiations were conducted, he said.

Following this, his company and Tvornica Electricnih Kabela (Elka DD), an established manufacturer of a wide range of power and telecommunication cables, have agreed to sign a memorandum of understanding (MoU) tomorrow (April 18) on the transfer of technology, technical assistance and know-how to manufacture power cables in Malaysia.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who would be on a one-day official visit to Croatia, is to witness the signing of the MoU.

Ahmad, previously an accountant with the former Lembaga Letrik Negara (or National Electricity Board), said Pusaka Endau had acquired about 40ha of industrial land in Gemas, Negeri Sembilan from the state Government, of which 8ha would be the site of its power cable plant.

Construction of the US\$15 million (RM37 million) power cable plant was expected to begin this September with a capacity of 3,000 tonnes of aluminium a year, he said.

It has also identified the ASEAN region, including Myanmar, as its potential markets.

While in Zagreb, Dr Mahathir is expected to witness the signing of five MoUs and one joint-venture agreement between Malaysian and Croatian organisations.

Malaysian National Chamber of Commerce and Industry president Datuk Seri Yahya Ahmad and Croatian Chamber of Economy representative Nadan Vidoseric would sign a MoU to further promote trade, industrial, economic and technical cooperation between members of both chambers.

Ahmad of Pusaka Endau and its Croatian partner, Elka DD managing director Dr Stanko Bakic would sign a MoU to manufacture power cables at the Gemas plant.

A joint-venture agreement would also be signed between Malaysian Resources Corporation Bhd and Niva Holding Co of Croatia for the setting-up of a bank in Croatia.

Meanwhile, South Vest Sdn Bhd trading officer (business management-Canada/International) Leroy Wong Wai Kong said the company had clinched business deals worth RM1.5 million prior to the signing of two MoUs in Zagreb and a sale and purchase agreement to be signed with Croatian companies in Kuala Lumpur in May.

South Vest, a wholly-owned subsidiary of Malaysian South-South Corporation Bhd, was appointed by the Ministry of International Trade and Industry and Malaysia External Trade Development Corporation to be the general trading corporation of Malaysia to market, promote and represent products of small-medium industries (SMIs) into the world market.

Under the MoUs, South Vest would supply cotton yarn, grey fabric, pepper and other consumer products to two Croatian companies.

On doing business in Croatia, Wong admitted the difficulties and

challenges to be faced.

War-torn Croatia is plagued by lack of hard cash which increased liquidity problems in the country's debt-ridden banking sector, thus causing a chronic shortage of funds and hampering the growth of private enterprises.

"If we can overcome the payment problems (on Croatia's side), then we can look into buying back their products and establish bilateral trade," Wong said.

South Vest hoped to source from the SMIs, particularly building materials, household and electrical goods, food-based products, car batteries and foodstuff, he said.

Another potential area is tourism, especially on Croatia's Adriatic coast, which was once the country's prime hard currency earner but now could be developed into a marina-hotel-casino resort, he said.

Wong also suggested that Wisma Putra officials collate the latest investment figures between Malaysia and Croatia and on the various laws which may affect foreign investment in the East European republic. --

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