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BE CAUTIOUS WHEN INVESTING OVERSEAS, SAYS DR LIM

IPOH, May 10 (Bernama) -- The government has reminded local investors to be cautious when investing in the plantation sector in a few foreign countries due to the various regulations being implemented there.

Primary Industries Minister, Datuk Seri Dr Lim Keng Yaik said a number of the regulations in Indonesia, Brazil and West Africa contradicted the original terms agreed upon when these investors first started to invest there.

A lot of local investors were interested to participate in the plantation sector, especially in oil palm cultivation and forestry in these countries due to the potential and suitability of the crops there, he told reporters after a ground breaking ceremony for the foundation of Sekolah Menengah Yuk Choy multi-purpose building here, today.

He said the Indonesian government had come out with a ruling to stop Malaysian investors from investing in oil palm plantations there based on the reason that their involvement in that sector had reached 1.5 million hectares.

Local investors who want to venture into the oil palm plantation sector in that country will have to go through 13 regulations imposed including getting the approvals of the provincial rulers and governors, he added.

In this regard, Dr Lim asked Malaysian investors who had encountered problems in facing such regulations to contact the ministry's officials or Malaysian Embassy in Indonesia to enable him to give a full explanation to Prime Minister Datuk Seri Dr Mahathir Mohamad.

He said Malaysian investments in the plantation sector in that neighbouring country amounted to hundreds of million of ringgits.

He advised investors in both the plantation and forestry sectors to get the necessary information and understand the country's regulations before making any investments, adding that the same problem was faced by investors in the primary industry sector in West Africa and South America.

Several regulations were imposed by the Brazilian Ministry of Environment and Forestry to Malaysian investors including prohibiting the clearing of jungles and felling of trees, he added.

Meanwhile, he said there is wide investment opportunities in West Africa covering Gabon and Cameroon especially in the oil palm plantation sector. However, most of these opportunities are protected by French companies who controlled the investments in these countries, especially Gabon, he said.

He also said that most of the Malaysian companies investing overseas were competing with each other and that he hoped these companies would form a consortium to facilitate investment and as a preparation to face new regulations which will be imposed in those countries. -- BERNAMA

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