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## Croatia pledges full support for private sector links

KUALA LUMPUR, Tues. - The Croatian Government will fully encourage and support all joint ventures undertaken between the private sectors in Croatia and Malaysia, its Prime Minister Zlatko Matesa said today.

He said his Government would provide the necessary infrastructure for joint venture projects and would also ensure that such ventures are legally established for the benefit of the people of the two countries.

Speaking at a Press conference at the end of his two-day official visit, Matesa said during his meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday, it was agreed that economic and trade ties between the two countries should be enhanced.

"There has been a significant improvement in economic relations between Croatia and Malaysia over the past few years.

"But we believe this could be further improved and we have decided to adopt a more sophisticated approach in future joint ventures involving the private sectors of both countries," he said.

Matesa said financial institutions from the two countries were finalising the establishment of a joint venture bank in Croatia and added that details were still being worked out.

He also said more Proton cars would be imported by Croatia as the car which hit the market there last year was gaining in popularity.

Matesa added his Government had adopted a liberal economic and investment policy whereby foreign and local investors in his country were given the same treatment.

He said some Malaysian companies were interested in operating shipyards in Croatia and added that officials from both countries would be meeting further to discuss the matter.

He added that there was also potential in the tourism industry in both countries.

Matesa who had earlier visited Westport in Port Klang said he was impressed with the developments taking place at the port especially with the privatisation of port operations.

In Pulau Indah, Bernama reports that Matesa and his 20-member delegation were briefed on the Westport development and facilities by its corporate services head Abdul Malik Rahman.

The delegation was also taken on a tour around the port area.

Earlier today, Croatian Economy Minister Davor Stern said Croatia is expected to use the privatisation of Tenaga Nasional Berhad as a model when privatising its own power sector.

He said that Croatia was impressed with the remarkable success achieved by the utility body which was corporatised in 1990 and privatised five years ago.

"We would like to study how Tenaga Nasional was privatised before using it (as a model) in privatising our own power sector. We would like to use Tenaga Nasional as a model for privatisation in our country," he said after attending a briefing at the Tenaga Nasional headquarters.

He was accompanying Matesa at the briefing by Tenaga Nasional senior general manager (power supply) Mohamad Yusof Ibrahim.

Since 1991, Croatia has been actively pursuing a privatisation policy and has taken steps to privatise its power sector, at present monopolised by Croatian National Electricity.

Stern said Tenaga Nasional could also invest in power generation and

distribution in Croatia on the basis of an independent power producer. The Croatian Government has signed an agreement with a German IPP for a coal-fired power plant and is still discussing with a US-based power giant, Enron, for a gas-powered plant.

"Tenaga Nasional also can look into the possibility of investing in a project in Zagreb to build a combined cycle 300MW power plant."

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