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Dr M: We will record above 8pc growth this year

Hardev Kaur in Beirut

BEIRUT, Tues: Malaysia's 8.2 per cent growth last year was among the highest in the world. This was registered after a buoyant economic growth of above 8 per cent a year over the past decade. This year the Government is confident that 8 per cent growth will be achieved, according to the Prime Minister Datuk Seri Dr Mahathir Mohamad.

He said in Malaysia, foreign investments have helped to transform the economy. Investments have provided jobs, foreign exchange, technology transfer and expanded the industrial base and provided linkages between the agricultural and industrial sectors.

It has also spurred the growth of small- and medium-scale industries. Now, Dr Mahathir said, Malaysian companies have the capacity and technology as well as management expertise to go into many fields.

"Today domestic investments contribute more towards the economy than foreign investments and they are now able to invest in other countries. We feel quite safe that it was the initial foreign investments which are responsible for our economic performance," he added.

Speaking during a dinner hosted by the Lebanese Chamber of Commerce and Industry here tonight, Dr Mahathir said Malaysia's experience shows that to ensure the success of market reforms and to reinforce economic growth, infrastructure development is necessary.

Dr Mahathir said he believes that the Lebanese and Malaysian public and private sector can complement each other in economic and social development. For countries, like Malaysia, an open and liberal, multilateral trading system is essential for continued progress and development.

Being an export-oriented economy, Malaysia attaches great importance to establishing strong trade links with its traditional trading partners and with new partners.

He said there is considerable scope for expansion of bilateral trade and investment between Lebanon and Malaysia. Given the numerous opportunities and incentives for trade and investment, the time has come for us to foster strategic linkages in order to create partnerships in economic development.

Malaysia, Dr Mahathir said, is encouraged by the economic and fiscal reforms undertaken by the Lebanese Government. He noted that on-going economic liberalisation and incentive schemes for foreign investments and joint ventures have already laid the foundation for increased growth in the key sectors of the economy.

"These incentives and liberalisation policies will surely create greater confidence among foreign investors, hence, paving the way for increased prospects of economic growth in Lebanon," he said.

On his visit to Lebanon, the first official visit by a Malaysian prime minister, Dr Mahathir said it reflects Malaysia's earnest desire to strengthen ties between the two countries.

He said he looked forward to the special relationship being further nurtured through regular exchange of visits, the implementation of concrete action programmes and increased activity between the public and private sectors of the two countries.

To facilitate bilateral cooperation, the governments of the two countries have put in place the necessary framework agreements for the conduct of commercial and economic relations. The Air Services Agreement has been

signed which facilitated travel between the two countries. Malaysia Airlines now flies twice a week to Beirut. In addition, bilateral trade agreement was signed in 1995 which will help traders to expand their businesses in both countries.

On the second day of his official visit, Dr Mahathir held bilateral discussions with his hosts covering a wide range of topics including bilateral relations and the situation in West Asia. In addition, he was briefed on Soliders, the Lebanese company for the development and reconstruction of Beirut district, by Dr Nasser Chamaa and its vice chairman Mr Maher Beydoun.

He later toured the southern city of Sidon and the ancient monuments such as the Grand Mosque, Khan El-Franj and Sidon Fortress.

Last night, in recognition of Dr Mahathir's "valuable friendship", the Lebanese President Elias Al-Hariri bestowed the country's highest decoration, The Order of the Greatest Scarf. Dr Mahathir is the first foreign dignitary to be given the award.

Dr Mahathir was overwhelmed by the gesture of his host in presenting the award. "I am not sure what I can do," he said, but hastened to add that Malaysia will assist Lebanon.

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