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Dr M calls for linkages to strengthen economic development

ADDRESSING a gathering of Malaysian and Kuwaiti businessmen here yesterday Datuk Seri Dr Mahathir Mohamad urged them to foster strategic linkages to enhance economic development at all levels.

The Prime Minister said the linkages should be developed between entrepreneurs and captains of industry in order to create "partnerships in economic development not only at bilateral, but also regional and global levels".

He made the call at a reception organised by the Kuwaiti Chamber of Commerce and Industry. Dr Mahathir, who arrived here on Saturday for a three-day official visit, backed his call with statistics which depicted the state of trade relations between Kuwait and Malaysia.

Pointing out that the two countries enjoyed excellent bilateral relations based on mutual trust that evolved through historical and commercial associations, the Prime Minister said trade between them has been growing steadily from US\$36.96 million (RM92.4 million) in 1992 to US\$107.68 million (RM269.2 million) in 1996, an increase of 48 per cent per annum.

Nevertheless, he said, Malaysia's imports from Kuwait for the period ending December 1996 which amounted to US\$37.39 million declined by 83.2 per cent as compared to US\$68.51 million for the same period in 1995.

Major import items from Kuwait include crude petroleum (94.5 per cent) and copper waste and scrap (3.0 per cent).

Malaysian exports amounting to US\$70.28 million to Kuwait in 1996 has shown an increase of only 2.6 per cent compared to the corresponding period.

Substantial amount of exports to Kuwait comprised products like electrical and electronic goods (23.2 per cent), jewellery and other precious metals (15.9 per cent), wood and wood products (five per cent).

Dr Mahathir said: "Given the numerous opportunities and incentives for investment and trade in both countries, I believe the time has come to foster strategic linkages between our entrepreneurs and captains of industry in order to create partnerships in economic development not only at bilateral but also at regional and global levels."

The Prime Minister then outlined Malaysia's industrialisation programmes to the year 2005, emphasising that the country's private sector has been very supportive of the drive to increase exports not only to other developing countries but to newly-emerging economies as well.

Dr Mahathir also spoke of Malaysia's involvement in Asean, saying that by 2003 Asean could see the completion of the Asean Free Trade Area. By that time Asean manufactured products will have tariffs of not more than five per cent across the board, he added.

Dr Mahathir said: "The Kuwaiti business community must not only look at the opportunities available in Malaysia, but must consider Malaysia as a strategic location in the Asean region as a whole."

"The huge Asean market and its liberal trading environment will indeed provide and offer tremendous business opportunities in the future. In this regard, I would like to encourage Kuwaiti investors to increase their business presence in this region, by using Malaysia as a gateway into Asean."

The Prime Minister also paid tribute to Kuwait's efforts to liberalise and deregulate its economy as part of the Government's commitment to

reinvigorate the country's economy.

"I believe such liberalisation and deregulation measures will eventually result in creating substantial markets in the South, that are able to supply a wide range of products, ranging from raw materials to product with high technology contents," Dr Mahathir said.

The Prime Minister also highlighted Malaysia's efforts in promoting Islamic banking whose emergence would bring an added dimension to the market. But, he said, it would be difficult to implement functional Islamic investment and capital markets at the international level without some degree of consensus among Islamic scholars on these matters.

He said: "There is certainly a great desire on the part of many Islamic banks to be involved in project financing, particularly in the East Asian countries where there are a growing number of new high-profile projects emerging.

The reception with Kuwaiti and Malaysian businessmen was part of Dr Mahathir's busy schedule since he arrived on Saturday. This morning he met the Emir of Kuwait and led Malaysia's delegation for bilateral talks with Kuwaiti leaders.

On Saturday, the Prime Minister visited the 372-metre Al-Tahreer Tower, regarded as the fifth tallest in the world.

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