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Investment to surge by RM6bn over next two years

GERMANY's investment in Malaysia is expected to 'leapfrog' by an estimated RM6 billion in the next two years, says German Ambassador to Malaysia Mr Harald-Norbert Nestroy.

"German chemical giant, BASF AG alone will contribute a total of RM1.2 billion over the period," he told a news conference in Kuala Lumpur yesterday, after announcing German President Dr Roman Herzog's state visit to Malaysia beginning Tuesday.

Nestroy said earlier, BASF had decided to set up its production facilities in three Asian countries, including Malaysia, China and India. The new plants are expected to boost output for BASF in the world market.

Germany currently enjoys ninth place among foreign investors in Malaysia. Between the years 1980 and 1996, German companies invested about DM1.1 billion (1DM = RM1.49) in Malaysia.

Nestroy said the German Government encourages its businessmen to seek partnerships or form joint ventures with its Malaysian counterparts, particularly if they plan to export their products to China.

"This is because Malaysian businessmen can provide the necessary experience and knowledge of doing business in the Asian region," he said.

He said as a result of Malaysia's liberal investment legislation and advanced industrial development, the country is particularly attractive for the German capital among the investment countries of South-East Asia.

For the first nine months of last year, Malaysian exports to Germany totalled DM3.41 billion, while Malaysian imports from Germany totalled DM2.99 billion.

"Today, Germany's main imports from Malaysia are electrotechnical products and office equipment.

"Electrotechnical goods also head the list of German exports to Malaysia, followed by machinery and motor vehicles," Nestroy said.

Nestroy also said some German firms have expressed their interest in the Multimedia Super Corridor (MSC) project.

He said Siemens Nixdorf Informations System AG, for one, has been invited by the Prime Minister Datuk Seri Dr Mahathir Mohamad to participate in the project.

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