

20/06/1997

Lebanon a good place to invest, says Dr M

Hardev Kaur in Beirut

BEIRUT, Thurs: Lebanon is a good place to invest in and a "good risk", according to Prime Minister Datuk Seri Dr Mahathir Mohamad.

While admitting that there is a certain amount of risk, as "we can't predict what will happen in the future", Dr Mahathir said: "To the extent that we can foresee, Lebanon is a good risk and I think in many areas, including industry, Lebanon should be able to attract foreign investment."

In reply to a question from a Lebanese reporter at a press conference at the end of his three-day official visit to the West Asian country, Dr Mahathir said there are political risks everywhere. He urged businessmen to weigh all risks but not go by the ratings published by certain agencies.

"We should make our own assessment," he said. "As far as I can see, although there are risks in many areas, Lebanon would be regarded as a good risk."

Asked what his advice is for Malaysian businessmen, Dr Mahathir said: "I have advised them to really look at the potential in Lebanon. Of course, like me, their (earlier) impression of Lebanon was quite wrong.

"They thought that Lebanon was just Beirut... a few hotels and the beaches. But now, I think they know it is a very big country, very well built up. People are very active in trade and industry and there is great potential here."

Up till yesterday, when Proton and Premier Equity (Cayman) Ltd signed agreements with Lebanese companies, there had been no Malaysian investments in Lebanon.

Premier Equity proposes to develop a US\$65 million (US\$1 = RM2.51) five-star hotel/service apartment suites, while Proton, the national car manufacturer, signed a distributorship agreement with the Lebanese Trading House Ltd.

On his impressions of the country following his three-day visit, Dr Mahathir said: "I must say I am surprised at what I found here. From the pictures in reports on Lebanon which I have seen, it appeared as if the destruction was so great that the country would not be able to recover. And I also thought that Lebanon and Beirut were just some sort of a resort area.

"But I found that Lebanon is much bigger than that. The built-up area stretches all the way from Sadon in the south to Byblos in the north of Beirut - that is up to where I have travelled. I was told it goes up to Tripoli."

He added that the number of cars on the roads also does not seem to indicate that a war had just ended five years ago. Reconstruction has gone on quite well, with many of the buildings having been repaired and new ones built.

Beirut used to be West Asia's commercial hub but was virtually wiped out by the sectarian fighting.

More than 660 war-ravaged buildings have been razed to make way for high-rise and entertainment complexes.

Some 265 structures, including historical sites, are being restored.

In addition, infrastructure facilities like sewerage, water supply, power and telecommunications are being restored or developed anew.

With the massive reconstruction and redevelopment taking place, Lebanese Prime Minister Rafic Hariri had told Business Times in an interview that

by the year 2000, Beirut will be a "very different city" from it is today.

Beirut today is like a massive construction site. The city, which is located on the eastern end of the Mediterranean, is one big scene of "organised chaos".

Being the crossroads of the East-West trade routes, Beirut was before the conflict a "must stop" for many international airlines and was better known than Dubai.

Despite the obvious opportunities for trade and investment, a lack of information has prevented the two countries from fully tapping the potential that each has to offer.

To rectify this, Dr Mahathir said it has been agreed that a joint ministerial commission be set up.

He suggested that the private sectors of the two countries also consider setting up of a Malaysian-Lebanon business council to facilitate increased contacts and collaboration.

The two national news agencies have also been urged to maintain close contacts and look into carrying more news of each other's countries.

Dr Mahathir, who earlier toured Byblos and Grotto to the north of Beirut, said: "These are interesting places but we know nothing about them in Malaysia. It is about time you tell us and it is about time we tell you about Malaysia."

At the press conference before leaving Lebanon, Dr Mahathir said Malaysia believes in a world that is prosperous throughout.

"That is why we keep on talking about the next century as the Century of the World, not the century of East Asia or any region."

The Prime Minister reiterated that Malaysia pursues a policy of "prosper thy neighbour" and not "beggar thy neighbour". Prosperous neighbours, he said, means you can trade with them and they will not give you any trouble. But when a neighbour is poor, you have a lot of problems.

Asked what Malaysia can offer to foreign investors, Dr Mahathir said the incentives are already in place but there is a lack of knowledge of each other's potential and that is being addressed.

On whether he has any advice for Prime Minister Hariri with regard to redeveloping Lebanon, he said: "I have not appointed myself as the adviser to Mr Hariri. I would not dare."

Hariri, who was present at the press conference, was quick to respond: "You have the experience... we can learn from you."

Asked about protectionism, Dr Mahathir said at times protection is necessary as a temporary instrument to nurture certain sectors of the economy.

On Hong Kong's handover to Beijing at the end of the month, Dr Mahathir said China is "getting back what belongs to it."

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