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Lifting ties with Egypt to a higher plane

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MALAYSIA and Egypt have signed a memorandum of understanding (MOU) on economic cooperation and trade and investment which is expected to lift bilateral relations to a higher plane.

Prime Minister Datuk Seri Dr Mahathir Mohamad and his Egyptian counterpart, Dr Kamal Ahmed El Ganzoury signed the MOU in Kuala Lumpur yesterday.

During El Ganzoury's two-day visit, three agreements - avoidance of double taxation, investment guarantee and air transport - were also signed. In addition, Malaysia and Egypt have pledged, under two other MOUs, to cooperate in promoting tourism and trade.

At a press conference, El Ganzoury invited Malaysia's private sector to invest in four of his country's major projects which are part of Egypt's trade and investment liberalisation drive.

The projects are the construction of an agro-industry complex, upgrading of a shipyard, development of the Sinai high technology valley and construction of a palm oil refinery.

"What Malaysia has achieved economically is astonishing and I see it with great admiration.

"My visit here is not just to promote Egyptian exports or to increase trade, but more towards opening doors for joint projects with Malaysian investors," said El Ganzoury.

The Egyptian Prime Minister said the four projects are crucial to the republic's on-going efforts to improve the economy.

The 20,000ha agro-industry complex will be used to produce cotton textiles and garments for the export market, while the palm oil refinery will produce consumer items for the Egyptian market.

Malaysian businessmen, said El Ganzoury, can participate in the projects in collaboration with the Egyptian government or with his country's private sector.

"They (private sector) have our blessings and we are ready to help," he said.

The signing of the Investment Guarantee Agreement, he said, ensures Malaysian investors of a sound operating environment in Egypt.

"It would be wrong and unfair for me to say that Malaysian investors will get favourable treatment compared to investors from other countries.

"But Malaysia is top priority and in our process of opening up investment opportunities to all friendly countries. We give prominence to our friends."

He added that a new law will be passed by the Egyptian parliament soon to provide investors with added incentives and financial facilities, and generally make it easier for them to do business.

Egypt has in the past 15 years invested about US\$50 billion (US\$1 = RM2.51) to set up the infrastructure required for a conducive investment environment.

"We postponed our development activities for five decades, fighting four wars, and when we first opened our doors to foreign investors in the mid-1970s, we did not have the necessary infrastructure."

El Ganzoury said he was satisfied with the successful and constructive discussions on specific issues he had with Dr Mahathir, and expects his visit to herald a new era of joint cooperation with Malaysia.

Foreign Ministry Under Secretary for West Asia, Africa and the

Organisation of the Islamic Conference Datuk Deva Mohd Ridzam said the MOU on economic cooperation reflects the discussions held by Dr Mahathir and El Ganzoury as well as between the two private sectors.

"The MOU is an indication of the importance that both prime ministers are attaching to bilateral relations."

Describing the MOU as "very significant", Deva said it identifies specific areas of cooperation, projects and cross investments in Malaysia and Egypt, as well as in third countries.

He added that significant developments would be seen in the next couple of months.

"The focus of the visit is on trade and economic relations.

"Targets have been set to get things moving. The MOU has added momentum to the growth in ties," he said.

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