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LOCAL INVESTORS NEED TO INSURE THEIR FOREIGN INVESTMENTS

PARIT, July 15 (Bernama) -- Minister of International Trade and Industry, Datuk Seri Rafidah Aziz advised local investors who planned to invest overseas, to insure their projects so that they would be covered should any problems occur in that country.

She said such a move was necessary to prevent heavy losses and that the losses could be distributed to other parties.

However, before investing overseas, investors should ensure that their companies were strong enough to face any challenges, she told reporters after officiating Surau Habibatul Islamiah Changkat Semanton Kampung Serapoh, Mukim Blanja, near here yesterday.

Rafidah said they also need to wait for the returns which could take a long time, face the possibility of temporary disturbances, and study the possible risks they would face in the countries they are investing in.

"They not only need to study market risks but also the possibility of the country's politics and administration being unstable, especially based on the country's history," she said.

Rafidah said the disturbances in Cambodia were only for a short period and as such local investors who invested in property development, plantation, industrial and infrastructure, should not pull out and discontinue their investments in that country.

"If the investors retract their investments, they would not be able to obtain any returns at all, as the projects could be continued. As for projects involving Cambodians' participations, there was a possibility of the projects being continued after the situation in the country becomes peaceful," she said.

Rafidah said those who invested overseas needed to look at their investments from a long term perspective as the investments were huge and required some time to get back the returns.

"If investors do not have a long term perspective, it would be difficult for them to set foot overseas," she said.

On Indonesia's policy freezing foreign investments since last November, Rafidah said the government had requested the Indonesian government to review the policy.

"Not only Prime Minister Datuk Seri Dr Mahathir Mohamed has had discussions with President Suharto, I have also sent a letter to my counterpart regarding this, and so has minister of primary industries, Datuk Seri Dr Lim Keng Yaik to his counterpart," she said.

She said the Malaysian government was still awaiting an answer from the Indonesian government.

It is hoped that the Indonesian government could consider the applications made by large Malaysian companies which had successfully invested in Indonesia, Rafidah added.

"This is because they have long term planning and needed a continuous development phase. If they are not allowed to continue their projects, it will affect the projects' profits and life force," she said. -- BERNAMA

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