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Macedonia wants more trade ties with Malaysia: Gligorov

MACEDONIA, which considers its trade with Malaysia as small, expects to change this soon and score with Malaysian investors as well.

Visiting President Kiro Gligorov said the republic has developed areas that Malaysian businessmen can participate and set up joint ventures. These include tourism, telecommunications, transportation and infrastructural development.

He conveyed this to Prime Minister Datuk Seri Dr Mahathir Mohamad during a meeting in Kuala Lumpur yesterday.

Briefing reporters on the meeting later, Foreign Minister Datuk Seri Abdullah Ahmad Badawi said the Macedonian President also expressed his hope that Malaysia would support the republic in further nurturing the existing bilateral trade by sending Malaysian officials to the country.

In response to this, Dr Mahathir said the Government has identified officials from Matrade who will assist Macedonia in this endeavour.

Abdullah said Gligorov also informed Dr Mahathir on the political developments in Macedonia as well as in the neighbouring Balkan states.

Earlier, Macedonia signed a trade agreement and an investment guarantee agreement with Malaysia. These agreements were signed by International Trade and Industry Minister Datuk Seri Rafidah Aziz on behalf of Malaysia and Foreign Minister Blagoj Handziski for Macedonia.

Malaysia's two-way trade with Macedonia in 1996 reached RM237,000. Exports from Malaysia to Macedonia amounted to RM27,000. The main export items to Macedonia were apparel and clothing. Malaysia's imports from Macedonia amounted to RM210,000 comprising mainly tobacco.

Later, in his address at a luncheon organised by the National Chamber of Commerce and Industry of Malaysia (NCCIM), Gligorov said his country, which is in transition to a market economy, wants to establish closer business contact with Malaysia.

He said Macedonia offers a conducive environment for investment, with an adequate infrastructure and strong industrial base.

Gligorov said Macedonia's prime objectives are the implementation of market economy, strengthening the economic ties with developed economies and achieving strong economic growth.

Immediately after its independence, the Balkan state has passed basic laws that facilitated the development of market economy such as laws on privatization, liberalising foreign trade and foreign investment and the reformation of the monetary and banking system.

Macedonia has also been able to bring down its inflation level, achieve a stable exchange rate of the denar, reduce its budget deficit and since last year, has experienced continuous growth of industrial output.

Gligorov said one of the basic economic priorities of Macedonia is to successfully transform socially-owned capital into private capital.

He said the private sector is becoming a very substantial positive force in the Macedonian economy.

"About 65 per cent of the gross income belongs to the private sector, 47 per cent of the total employment figures are in the private sector which realises 70 per cent of the total profits," he said.

He noted that the external economic climate is now much more favourable and relaxed.

"The south border with Greece is now open and the embargo has been lifted. The United Nations Security Council sanctions against Yugoslavia

have also been lifted," he said.

To encourage greater flow of foreign capital into Macedonia, the country has concluded several agreements on investment and avoiding double taxation.

A trade agreement had also been concluded with the European Union.

Gligorov said Macedonia's import and export regime has been liberalised as it has signed agreements for a free trade zone with Slovenia, Yugoslavia, Croatia and Bosnia-Herzegovina.

Meanwhile, NCCIM vice-president Datuk VKK Teagarajan said Malaysian businessmen are eager to explore the potential of transit trade through Macedonia to the countries of Eastern Europe, Central Asia and the Commonwealth Independent States.

He suggested that Macedonia could use Malaysia as a springboard to serve the growing markets of Asean.

"Malaysian companies may wish to relocate some of their industries in Macedonia and at the same time take advantage of the improved foreign investment conditions in Macedonia," he said.

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