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Madagascar offers special incentives

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MADAGASCAR is inviting Malaysian investors to take part in its privatisation exercises which form part of its national economic development plan.

Its Deputy Prime Minister Herizo Razafimahaleo said incentives ranging from free zone status to corporate tax exemption for the first 10 years of operation, would be granted to Malaysian companies that devote 95 per cent of their operations to export-oriented activities.

Malaysian investors could also look forward to a total tax exemption on imported production material, no constraints in hiring expatriates, and unlimited repatriation of profits back to Malaysia.

Stressing that such deals were "specifically extended to the Malaysian business fraternity", Razafimahaleo said they could also benefit from the special preferential status to penetrate European and US market.

"This is in tandem with the Government's modernisation policy of moving away from an agriculture-based economy to privatising all our 127 state-owned companies over the next five years.

"At the initial stage, I will consider labour intensive industries such as textile and garment making, tourism and hotels, telecommunications, infrastructure (power generation and road system) and banking as sectors with immediate potential.

"I am optimistic that the Malaysian investments can take off even by the end of this year," he told a Press conference after attending a dinner at the residence of Madagascar's first honorary consul in Malaysia Datuk Zazlan Mohamed Samin in Shah Alam on Friday.

Also present were the Foreign Ministry's Under-Secretary (West Asia, Africa and the Organisation of Islamic Conference) Datuk Deva Mohd Ridzam, Zazlan, and KUB Malaysia Bhd chairman Datuk Hassan Harun.

Razafimahaleo was in Malaysia to attend the three-day Langkawi International Dialogue which ended last Wednesday.

He had earlier paid courtesy calls on Prime Minister Datuk Seri Dr Mahathir Mohamad, Deputy Prime Minister Datuk Seri Anwar Ibrahim, Foreign Minister Datuk Seri Abdullah Ahmad Badawi and Transport Minister Datuk Seri Dr Ling Liong Sik.

Razafimahaleo, who is also Madagascar's Foreign Minister, said that it was essential for both parties to be committed "and willing to get things done quickly with guaranteed result."

"We should push not only for the signing of MoUs, but also ensure that there is concrete effort towards the realisation of the plans," he said, adding that the island-nation was impressed with the robust progress Langkawi is enjoying today.

Since opening "at full-blast" five months ago, the former French colony has learnt that it is vital to accept Asia and neighbouring South Africa as trade partners.

"Madagascar has a very stable political climate with rare possibility of political turmoil spilling over from neighbouring countries.

"It is also rich in mineral resources like petroleum, uranium, phosphates, bauxite, iron and various gem stones which have not been fully exploited. The majority of our population is highly-educated, skillful, hardworking and eager to learn new things," said Razafimahaleo.

Razafimahaleo identified Innovest Bhd, Multi-Purpose Holdings Bhd, Eon Group and Kewangan Usaha Bersatu Bhd as companies which have expressed

keen interest to invest in Madagascar.
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