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Mahathir-project

MAHATHIR: KUWAITIS CAN JOIN M'SIAN VENTURES

By: Abdul Rahman Ahmad

KUWAIT CITY, April 7 (Bernama) -- Prime minister Datuk Seri Dr Mahathir Mohamad said there is scope for Kuwaiti investors to participate in projects undertaken by Malaysian businessmen by helping to finance some of their overseas projects.

Due to rapid expansion at home, Malaysian businessmen have set eyes on investing abroad, he said.

However, in obtaining capital, Malaysia preferred to borrow from overseas to finance its projects rather than obtaining it domestically, he said during a dialogue with Kuwaiti businessmen here yesterday evening.

Malaysian businessmen were actively involved in countries like South Africa, Zimbabwe, Namibia and central Asian states like Uzbekistan and Kazakhstan.

Dr Mahathir said Malaysia had stopped borrowing from countries like Japan and there were no new loans from the World Bank. In fact, Malaysia was able to obtain financial aid from commercial banks quite easily.

Dr Mahathir also said there were restrictions in allowing foreign financial institutions to set up operations in Malaysia to protect small local banks.

"We are quite small and if there is no restriction, foreign banks will come in and monopolise the business," said Dr Mahathir who was on a three-day official visit to Kuwait.

He later left for Bahrain today for a three-day official visit.

Dr Mahathir said the Malaysian government actively encouraged local and small Malaysian banks to merge to prepare for market liberalisation in the near future.

However, he assured Kuwaiti businessmen that there were no restrictions on them doing off-shore financial dealings in Labuan -- Malaysia's tax haven -- where they were free to lend money.

He said more than 50 foreign banks, previously operating Hong Kong, had shifted to Labuan due to uncertainty in doing business in Hong Kong which reverts to Chinese rule this year.

Dr Mahathir said Hong Kong's return to China in July caused no alarm or a problem to Malaysia because Hong Kong's position had changed positively over the past decade due to China's open policy that had allowed direct trade without having to go through Hong Kong.

He said when China decided to open up, investment had come in a very big way to its coastal cities as Hong Kong businessmen moved into these areas taking along their expertise and funds.

"When Hong Kong reverts to China, the process will continue and as you can see it has not affected us," the prime minister said.

Dr Mahathir said the Malaysian government had no worry of Malaysian Chinese going and making business in China.

"When they go there, they may help China's economy and when it becomes prosperous, China will then buy more products from Malaysia," he said.

"There are 1.2 billion Chinese in China and we use to say if the Chinese take one teaspoon of palm oil a day, we will become rich," he said.

Malaysia is one of the world's leading palm oil producers.-- BERNAMA

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