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Mahathir-Trade

MAHATHIR CALLS FOR MORE TRADE WITH MALAWI

BLANTYRE (MALAWI), May 2 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad today called for expansion of trade between Malaysia and Malawi saying the present level and the narrow range of products traded do not reflect the true potential for bilateral trade.

Although trade between Malaysia and the southern African nation has been small, he noticed that it has been growing steadily.

"There is considerable scope for expanding of bilateral trade," he said at the Malawi-Malaysia business meeting here.

Dr Mahathir arrived at this commercial and industrial city, 300km north-west of Lilongwe, the capital of Malawi, yesterday for a three-day official visit.

He is accompanied by his wife Datin Seri Dr Siti Hasmah Mohd Ali and a business delegation led by Arab-Malaysia Group chairman Tan Sri Azman Hashim.

Citing how trade could be expanded, Dr Mahathir said Malaysia could be a competitive source of imports of machinery, tools and equipment for light manufacturing and farming as well as consumer goods for Malawi's growing economy.

He said Malaysia, which has become a source of foreign investment in Africa, was prepared to cooperate with Malawi in establishing meaningful bilateral trade relations.

Between 1992 and 1996, bilateral trade grew by an average of 3.5 per cent per annum, reaching US\$1 million (RM2.5 million) last year compared with just about US\$720,000 (RM1.8 million) five years ago.

He said during this period, Malaysia's exports to Malawi expanded by about four per cent each year to reach US\$440,000 (RM1.1 million) last year.

On the import side, Malaysia has absorbed some US\$560,000 (RM1.4 million) worth of products from the republic last year of which about 94 per cent comprised fresh, chilled, frozen or simply preserved vegetables, Dr Mahathir said.

Malaysia has followed with great interest the bold market reforms and the wide-ranging economic restructuring undertaken by the Malawian government, he said.

He said the Malawian government's move to establish the Privatisation Commission under the Privatisation Programme last year was a step in the right direction towards a market-oriented economy.

"We are glad that these efforts are now bearing fruit with (Malawian) economic growth expected to reach 7.1 per cent in 1997," he said.

Dr Mahathir said the recent effort by Malawi to induce and protect foreign-investments in the republic, while simultaneously expanding its industrial base, was timely and most welcome.

He hoped today's meeting would build upon the initial ties established during the earlier visit by a delegation of Malawian Cabinet members and businessmen to Kuala Lumpur led by President Dr Bakili Muluzi last September.

"In this respect, it is heartening to note that some business ventures are already being implemented or at an advanced stage of implementation," he said, citing Telekom Malaysia Berhad's stake in Telekom Networks Malawi and Malaysian-based G-Two Holdings hotel and housing projects.

On bilateral ties, the Prime Minister said many historical and

geographical reasons might have contributed to the relatively low level of bilateral relations in the past.

"However, with better communication, a whole new chapter in relations among nations is being established.

He said Malaysia actively encouraged its private sector to trade and invest in countries of the South to play a role in their economic development.

They have ventured into the South markets and accumulated considerable experience in banking, highway construction, housing and hotel development, power supply, gem and mineral exploration and telecommunications, he said.

"Malaysia is prepared to work with Malawians in these areas," he said.

He said the Malaysian businessmen, who accompanied him to Malawi, were keen to invest directly in the 18 projects being privatised by the Malawian authorities or acquire equity in the 140 state-owned enterprises open to foreign participation.

Malaysia and Malawi have already put in place the necessary framework to enhance business and trade in the form of the Trade and Investment Guarantee agreements signed in Malaysia last year, he said. -- BERNAMA

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