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Mahathir-Business

MAHATHIR SAYS CUBA HAS GREAT POTENTIAL

By: Syed Jamil Jaafar

HAVANA, Sept 28 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said Saturday Cuba has great potential for growth and Malaysia, always on the lookout for new partnerships, is keen to participate in its economic evolution.

He said that Malaysia believed in constructive engagement that was aimed at enriching its economy and that of its partners.

Addressing a Malaysian-Cuban business luncheon meeting here, Dr Mahathir said Malaysia was seeking new friends in the Caribbean/Latin American region and his visit here marked an earnest desire to develop mutual economic linkages with Cuba.

This island nation of 12 million is the only country in the region to follow the socialist system under the leadership of the charismatic revolutionary leader Fidel Castro.

Since the break up of the Soviet Union and thus the cessation of Soviet aid, Cuba's economy went on the decline but has rebounded over the past two years following reforms and liberalisation in certain sectors.

Friday, the first day of Dr Mahathir's three-day visit here, saw the signing of three agreements -- on partial visa abolition, trade promotion and investment protection -- to pave the way for greater economic ties between Malaysia and Cuba.

To date no Malaysian company has invested in any kind of business in Cuba and trade between the two countries amounts to less than US\$1 million (about RM3 million) with Malaysia buying mostly industrial alcohol from Cuba.

Dr Mahathir said there was obviously scope for trade, investment and cooperation especially in areas such as medical, biotechnological and pharmaceutical research in which Cuba is quite advanced.

A Malaysian company, Raza Manufacturing Berhad, and Heber Biotec S.A., the marketing arm of Cuba's Centre of Genetic Engineering and Biotechnology has already made a business arrangement to market Cuban pharmaceutical and diagnostic products in Malaysia.

The Prime Minister also singled out tourism, which is the fastest growing industry in Cuba, and agri-business and food related industries as areas which offered good opportunities for joint ventures.

Padi Beras Nasional Berhad (BERNAS) for example had concluded an agreement with the Cuban Foreign Trade and Agriculture ministries to produce, procure and distribute rice in Cuba and the region.

Other areas in which Malaysian entrepreneurs could explore joint venture possibilities are textile, garment and footwear manufacturing, mining, oil and gas, power generation, construction and property development and the production of construction materials, industrial chemicals, plastics, detergents and fertilisers.

Dr Mahathir said Malaysia's globalisation strategy encouraged its industries to relocate in countries in the South where viable and appropriate.

Malaysian companies were now moving to new locations in search of resources and factors of production which are abundant and competitively priced.

"We in Malaysia are encouraged by the economic and fiscal reforms undertaken by the Cuban government," he said.

"The pragmatic approaches of the ongoing Economic Recovery Programme

and incentive schemes for foreign investment and joint ventures have already laid the foundation for increased economic growth.'

Cuba's gross domestic product (GDP) grew by 7.8 per cent last year -- the highest in Latin America. Its foreign trade had expanded by 33 per cent.

Dr Mahathir who arrived here Thursday for a three-day visit seemed to have hit it off with President Fidel Castro, Cuba's charismatic revolutionary leader since 1959.

The two met for a four-eyed discussion on Friday morning and again over dinner in the evening.

Obviously they still have a lot to talk about for the two leaders were to meet again for an unscheduled informal talks this evening.

Asked at a press conference about his impression of Castro, Dr Mahathir said: "I think he is a very sincere man.'

"He may hold fast to his ideology but in my opinion many people branded as communists are actually nationalists. The only thing is that their approach in solving problems differs from ours. But they are so nationalistic, wanting their countries to be free ... that's not wrong.

"They are not going to war with us ... they also never question whether we are capitalist or whatever.'

Dr Mahathir said it must also be appreciated that Cuba faced a lot of pressures but the country has opened up. -- BERNAMA

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