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Malaysia, NZ trade seen burgeoning

WHEN it comes to picking a place to spend their next vacation, New Zealand often emerges as a popular choice among Malaysians.

What is sometimes overlooked, however, is the fact that there is a lot more to New Zealand besides being just another holiday destination.

While many are aware of New Zealand being the place to pat sheep or catch the world famous "All Blacks" rugby team in action, others do not know that Malaysia is currently the leading destination for business travellers from New Zealand.

According to New Zealand Trade Development Board trade commissioner, Barbara Kohler, trade between the two countries is growing strongly.

"Although there is a high level of trade mission activity between the two countries, I believe that business in each country lacks a true appreciation of the stage of development of each of our markets," she says.

"As such, companies in Malaysia are often surprised to learn that New Zealand is a source of internationally proven, competitive and sophisticated high technology products and services in areas as diverse as telecommunications, defence, marine and energy."

Says Kohler: "We have gone beyond being simply a supplier of world leading agricultural products and technologies.

"New Zealand companies are sometimes not fully appreciative of the rapid pace of industrialisation taking place in Malaysia and the extent to which partnerships based in Malaysia can access opportunities in third markets."

Kohler feels that a mutual exchange of information and education through trade missions, seminars and media visits are some of the ways in which these perceptions can be altered, thus ensuring that the healthy rate of growth in two way trade continues.

Among the sectors Kohler perceives as having potential for growth are the telecommunications, energy, pollution control and waste management, marine engineering, port and airport development, primary products and food processing, cool store technology and privatization sectors.

Not only have these sectors been identified in the Seventh Malaysia Plan and the Post Industrial Master Plan, but they are also areas in which New Zealand has demonstrated world leading expertise and in which New Zealand companies are currently active (including joint ventures) in Malaysia.

They are also areas where substantial Malaysian companies have indicated interest in sourcing this expertise from overseas and from New Zealand in particular.

Malaysia is New Zealand's tenth largest trading partner for both imports and exports.

Two way trade for the year ended October 1996 reached RM1.6 billion.

More significantly, however, Kohler says, "the growth in two way trade with Malaysia over the past twelve months is the strongest amongst our top twenty trading partners."

For the twelve months ended October 1996, merchandise exports from New Zealand to Malaysia was RM849 million (FOB).

This represents a growth of 20.5 per cent over exports for the previous twelve months.

The most significant growth of 21 per cent has been in elaborately transformed manufacturers.

Major Malaysian imports from New Zealand are food and beverages,

manufactured products, metals, industrial raw materials and primary products.

There has also been strong growth in technology transfer and export of consultancy in areas of telecommunications, privatization, forestry and coolchain management.

On the other hand, merchandise imports to New Zealand from Malaysia totalled RM772 million (FOB), representing a growth of 46.0 per cent over imports for the previous twelve months.

New Zealand imports mainly electronic and electrical goods, and commodities like rubber, cocoa and palm oil from Malaysia.

Kohler has seen very busy days over the past twelve months, receiving numerous New Zealand companies which have engaged in substantial trade fair and trade mission activity in Malaysia.

"This," says Kohler, "demonstrates their long term commitment to the market and their desire to work closely with their Malaysian partners."

New Zealand has had national pavilions at LIMA 95, Defence Services Asia 96 and Airportex 96.

In addition, New Zealand companies have exhibited on an individual basis (in association with their Malaysia partners) at a number of other trade fairs in Malaysia, such as CEPSEI Exhibition and Conference, Food and Hotel Malaysia, the international Furniture Fair and Natural Gas Exhibition.

There have also been inward trade missions from the New Zealand Defence Technologies Group, New Zealand Airport Technologies, the Marine Export Group of New Zealand, Energy New Zealand International Ltd and New Zealand Education International.

These groups are partnerships between the relevant industry sectors and the New Zealand Trade Development Board.

They comprise a collaborative grouping of highly skilled companies representing the wide capability spectrum of the industry.

"Since they provide a single point of access into the relevant industry, they avoid the need for foreign companies to canvas throughout New Zealand to find the technology or expertise they are seeking," Kohler explains.

There have also been recent indications of an increasing recognition within Malaysia of New Zealand as a close proximity source of relevant, world leading products, services and technologies.

"There has been an average of one outward mission a month from Malaysia to New Zealand at either private sector or government level," says Kohler.

In addition to that, a major conference on "Doing Business in Malaysia" was held in Auckland in March, just prior to the visit to New Zealand by Prime Minister Datuk Seri Dr Mahathir Mohamad.

Malaysian investments in New Zealand are predominantly in property, tourism, manufacturing and services sectors, while New Zealand investments in Malaysia are in the manufacturing and processing sectors.

According to figures provided by the New Zealand Overseas Investment Commission Malaysia is eighth equal in terms of value of investments made in New Zealand over the period 1991-1995.

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