

03/05/1997

Malaysia offers to help Malawi (HL)

Hardev Kaur in Blantyre (Malawi)

BLANTYRE (Malawi), Fri: Malaysia, often cited as "a model for economic development", is prepared to share its experience with Malawi. The two countries can also explore each other's economic potential while their private sectors should focus on the newly-emerging markets.

Malaysian and Malawian enterprises can synergise their individual resources and experience to venture into the southern and central African regions.

Joint ventures to import, warehouse and distribute Malaysian-manufactured products in Malawi and its neighbours and other land-locked markets in Africa are among the areas that can be explored.

Malaysian companies have ventured into the South markets and accumulated considerable experience in a number of areas. They have ventured into banking, highway construction, housing and hotel development, power supply, oil and mineral exploration and telecommunications in the South with investments in South Africa, Zimbabwe, Namibia, Ghana, Guinea, Tanzania, Mauritius and Malawi.

The experience gained from these ventures can be gainfully employed for mutual benefit and Prime Minister Datuk Seri Dr Mahathir Mohamad said the Malawi-Malaysia business meeting provided opportunities for the two sides to discuss and map out strategies "for mutual benefits through private sector-led initiatives".

Speaking at a joint business meeting here, the Prime Minister, who is on an official visit to this land-locked southern African country of some 17 million people, offered cooperation in establishing "meaningful bilateral trade relations".

Relating Malaysia's economic progress and experience and the need to generate employment, Dr Mahathir said Malaysia is prepared, "if agreeable", to move some labour-intensive industries "to create reasonable incomes for the Malawian workforce".

Dr Mahathir said the first priority for a developing country is to create jobs for its workforce. Malaysia, too, began its industrialisation by concentrating on job creation through labour-intensive industries.

"Today Malaysia is short of workers and we have to move some of our labour-intensive industries to countries with high unemployment rates and therefore lower cost of labour," he said.

Malaysia has been cited as a model for economic development. "Maybe it is," Dr Mahathir said, but stressed that it was not "a miracle" as has been suggested by some. Malaysia's success, he added, has been due to "plain hard work, discipline and a wish to be independent of foreign domination".

Malaysia, still a developing country, advocates greater South-South cooperation on the international front through trade among developing countries. Dr Mahathir said: "It is our belief that members of the South countries should work together to improve trade and other related economic activities for mutual enrichment."

In keeping with this, the Government has actively encouraged the private sector to trade and invest in countries of the South to play a role in their economic development. Many Malaysian companies have responded to this call very favourably.

Under the Malaysian Technical Cooperation Programme, the Government has trained officials from many developing countries, including 32 Malawians,

in international diplomacy, public administration, environmental protection and agriculture. Dr Mahathir said Malaysia will be "happy to make available a few more such training places".

On bilateral relations with Malawi, Dr Mahatahir said trade has been small but growing steadily. Between 1992 and 1996, bilateral trade grew by an average of 3.5 per cent a year, reaching US\$1 million (US\$1 = RM2.51) last year, compared with about US\$720,000 five years ago. Of the US\$560,000 worth of Malaysian imports from Malawi last year about 94 per cent were made up of fresh, chilled, frozen or preserved vegetables.

Dr Mahathir said the present level of trade and narrow range of products traded do not reflect the true potential for bilateral trade. There is considerable scope for expansion and Malaysia can be a competitive source of imports of machinery, tools and equipment for light manufacturing and farming as well as goods for Malawi's growing economy.

Turning to the Malawi economy, Dr Mahathir said the "recent bold efforts undertaken by the Government to induce and protect foreign-investments in the country while at the same time expanding its industrial base is timely and most welcome".

He said the establishment of the Privatization Commission under the Privatization Programme in 1996 is a step in the right direction towards a market oriented economy. These are beginning to bear fruit with the economic growth expected to reach 7.1 per cent this year.

Dr Mahathir expressed hopes that the meeting of the businessmen will "build upon the initial ties". Following the visit of the Malawian President Bakili Muluzi to Malaysia last September, some business ventures are at an advanced stage of implementation.

He urged businessmen of the two countries to "explore the possibility of going into downstream manufacturing and processing activities, utilising locally available resources like minerals and agriculture products."

The businessmen in his delegation "are keen to establish business partnership with their Malawian counterparts", he said.

They also keen to invest directly in the 18 projects that are being privatized by the Malawian authorities or acquire equity in the 140 State-owned enterprises that are open to foreign participation.

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