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MALAYSIA RECOGNISES NEEDS OF INVESTOR & RECIPIENT NATIONS, SAYS PM

By: K.C. Leong

SANTIAGO, Sept 29 (Bernama) -- Malaysia, as both a recipient of foreign direct investment as well as an investor overseas, is able to relate to the needs of both parties, Datuk Seri Dr Mahathir Mohamad said today.

"As an investor we hope the host nations have transparent and predictable policies that will ensure investment security while as a recipient we certainly provide the same assurances," he added.

Malaysia had always been committed to fair and liberal multilateral trading environment and believes in and practises the policy of transparency and predictability, he told leading Chilean and Malaysian business leaders at a luncheon dialogue here.

The Prime Minister arrived here yesterday from Cuba for a three-day visit. He will also travel to Uruguay and Argentina during his four-nation visit to Latin America.

He said Malaysia and Chile were linked to larger regional entities and accepted that the lure of a larger regional market would make bilateral considerations subjected to regional dictates but said this should not be an impediment to efforts to increase greater economic linkages.

He said the seven bilateral agreements concluded so far, including those on investment guarantee, trade, air links and bilateral payment, had been accompanied by two-way trade increasing significantly from RM147 million in 1990 to RM625 million last year. In the first half of this year, bilateral trade reached RM351 million.

Dr Mahathir said there was considerable scope for expansion of trade as both countries were experiencing high growth rates which would invariably require imports of capital, intermediate and consumer goods.

Stating his "fervent hope" that bilateral trade would continue to grow strongly, he added that the large group of Malaysian businessmen in his delegation was here to explore greater co-operation in trade and investments.

With regards to investment, he said three Malaysian companies had substantial interests in Chile in the area of commercial property, housing development and fish canning and packaging. Malaysian investments in Chile, including proposed investments, were estimated at US\$70 million (about RM210 million).

The prime minister said his visit to the four Latin American countries was part of Malaysia's continuous effort to increase trade and investment with the countries of the South.

Tremendous benefit could be derived from greater South-South cooperation in trade and investment, he said, adding that it could incorporate co-operation in third countries with Chile taking the lead in this region given its strong linkages to the North American Free Trade Agreement and MERCOSUR, the South American economic grouping, while Malaysian businessmen could do the same in Asian regional and sub-regional markets.

Noting that in this regard Malaysia had regularly participated in such activities as the Santiago International Fair, he urged Chilean businessmen to take part also in Malaysian trade fairs to create greater awareness of Chilean products.

An area that Malaysian and Chilean businessmen might want to look at, he said, was the establishment of regional warehousing and distribution centres.

He also touched on the opportunities for foreigners to invest in

Malaysia, including the rising importance of the manufacturing sector in Malaysia's economy, the Multimedia Super Corridor, and fiscal as well as non-tax incentives. -- BERNAMA

LKC SHY