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M'SIA, SRI LANKA SIGN DOCUMENTS TO ENHANCE ECONOMIC RELATIONS

KUALA LUMPUR, Sept 16 (Bernama) -- Malaysia and Sri Lanka signalled their commitment to bolster economic links with the signing of six documents following a meeting between the two countries here today.

Foreign Minister Datuk Seri Abdullah Ahmad Badawi and his Sri Lankan counterpart Lakshman Kadirgamar signed the Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income.

They also signed the Economic, Scientific and Technical Cooperation Agreement.

The event was witnessed by Prime Minister Datuk Seri Dr Mahathir Mohamad and Sri Lankan President Chandrika Kumaratunga who led their respective delegations to the meeting.

Kumaratunga arrived yesterday for a four-day official visit to Malaysia at the invitation of Yang di-Pertuan Agong Tuanku Ja'afar.

The representatives of four Malaysian companies signed memorandums of understanding (MoU) for various project proposals with the Board of Investment of Sri Lanka (BOI), represented by its chairman and director-general Thilan Wijesinghe.

Land & General Bhd proposes to develop an industrial township on approximately 760 hectares of land at Horana Perth Estate 40km from Colombo.

The MoU involving Renong Overseas Corporation is for the development of the proposed industrial zone and science park, a feasibility study on the proposed Colombo-Kandy Expressway and a commercial bank operation in Sri Lanka.

Transmile Group Bhd meanwhile plans to conduct a detailed feasibility study to establish an air cargo hub terminal to handle the transshipment of air cargo including design, construction and management at Colombo's Bandaranaike International Airport.

The promotion of both countries' information technology (IT) and multimedia capabilities and the attraction of new investments in those areas are contained in the MoU involving Multimedia Development Corporation.

In a statement issued by the Sri Lankan High Commission, Wijesinghe said his country's favourable policy environment and attractive investment incentives would be highlighted throughout the visit.

An investment seminar organised by the National Chamber of Commerce and Industry of Malaysia in collaboration with the BOI will be held tomorrow in conjunction with the president's visit.

Wijesinghe said signing an agreement with the BOI meant that the incentives granted like tax holidays or preferential tax rates and foreign exchange controls remain valid for the life of the enterprise.

He said Sri Lanka had one of the lowest labour rates in the Asia Pacific region and a strong force of educated workers needed by Malaysian investors.

He said Sri Lanka needed investments in infrastructural projects like road and highways, industrial parks and township, real estate development as well as further development of tourism facilities such as international-standard resorts and hotels.

Other identified sectors of interest for Malaysian investment include ceramics, electronic and electrical products, light engineering and

rubber-based products. -- BERNAMA
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