

14 APR 1997

Egypt-Investment

M'SIA AND EGYPT TO EXPAND TRADE AND ECONOMIC RELATIONS

KUALA LUMPUR, April 14 (Bernama) -- Malaysia and Egypt today signed an Investment Guarantee Agreement aimed at expanding and deepening economic and industrial cooperation.

The agreement also provides for a framework to further expand the flow of investment and business activities between Malaysia and Egypt.

Its signing was witnessed by Prime Minister Datuk Seri Dr Mahathir Mohamad and his Egyptian counterpart Dr Kamal Ahmed El-Ganzoury, who is on two-day visit.

The agreement was signed at the Prime Minister's Department here by International Trade and Industry Minister Datuk Seri Rafidah Aziz and the Egyptian Minister of Trade and Supply Ahmed A. Gewili.

All in all to date, Malaysia had signed 54 Investment Guarantee Agreements with other countries.

The agreement protects investments by investors of both countries made prior to as well as after the signing of the agreement.

It also addresses the concerns of investors about expropriation and nationalisation and repatriation of investment in terms of free transfer of income accruing to investment.

The agreement also covers settlement of dispute through the International Centre for Settlement of Investment Dispute (ICSID) or the Arbitration of the International Chamber of Commerce or International Ad-hoc Arbitral Tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

Malaysia's bilateral trade with Egypt currently was small amounting to only RM625 million in 1996, representing 0.2 per cent of Malaysia's total trade.

Exports from Malaysia to Egypt for the same year amounted to RM606 million while imports totalled RM19 million.

Major Malaysian exports to Egypt were palm oil, stearin, natural rubber, television receivers, paper and paper board while major imports from Egypt comprised mainly fruits and nuts, floor covering, spices and textile yarn.

At the moment Egypt has no investment in Malaysia while only one Malaysian company, Sime-Darby Edible Oils Products had invested there.

With the signing of the agreement, Malaysian and Egyptian companies could explore joint ventures in production of palm oil products, stearin and manufactured goods for exports and mining.

Private sectors of both countries could also collaborate in regional projects while Egypt could use Malaysia as a distribution centre for its exports to the region.

Dr Mahathir and Dr Kamal Ahmed also witnessed the signing of an Air Transport Agreement by Transport Minister Datuk Seri Dr Ling Liong Sik for Malaysia and the Egyptian Minister of Electricity and Energy, Mohamad Maher Abaza.

Two Memoranda of Understanding (MoU), on trade and tourism cooperation respectively, were also signed.

The first, involving the Egyptian Export Promotion Centre (EEPC) and Malaysia External Trade Development Corporation (Matrade) was signed by Rafidah on behalf of Matrade and Gewili, for EEPC.

Under the MoU Matrade and EEPC would exchange and disseminate information to each other's business sectors.

The other MoU was signed by Minister of Culture, Arts and Tourism, Datuk Sabbaruddin Chik and Egyptian Minister of Local Administration, Dr Mahmoud Sherif. -- BERNAMA

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