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Need for aggressive promotions in Chile

Marina Tan

OPPORTUNITIES abound for Malaysians wanting to trade or invest in Chile, but unless initiative is taken to promote themselves, they will lose out to other, more aggressive foreign traders and investors.

The Malaysian Trade Commissioner for Chile, R. Sukumaran, said Malaysians "must simply invest more on promotion".

Many, he said, did not seem to understand just how important it was to establish a personal and permanent presence in Chile.

"It is absolutely necessary.

"I get too many letters or faxes indicating interest in trading with Chileans, but not enough people," he told the New Straits Times in an interview at his office in Santiago, Chile, recently.

Sukumaran said the Japanese, Koreans, Taiwanese and Australians, were more aggressive and their businessmen had established representative offices at least in Latin America, if not in Chile.

Malaysia's exports to Chile in 1996 totalled more than RM170.5 billion, but imports from that country accounted for some RM450 billion.

Chile, Sukumaran said, was the best prospect as a gateway for Malaysian products and investments to Latin America.

Reasons for this include its "well-ordered" economy which has grown at six per cent annually for the last 12 years.

It is estimated to grow by seven per cent next year.

The country's GDP, at US\$9,529 (when adjusted for purchasing power parity) is one of Latin America's highest, and leads the region in having a skilled and disciplined workforce.

The economy was also widely known for its transparency and liberalism, with an already low 11 per cent import duty expected to be further lowered to eight per cent next year.

Its foreign investment statute, DL 600, has for 23 years ensured foreign investors the same treatment it gives to locals, with no limits to the duration or ownership of an investment project.

"Chile is at the centre of emerging trading blocs such as Mercosur, and is politically the most stable country in Latin America, even if its own market is not the largest," Sukumaran said.

One thing Malaysians should remember is that Chile's agreements with Brazil, Mexico and Canada mean certain goods produced in each country can be exported to the others with no duty.

While this sets Chile up as an ideal manufacturing base for the rest of the region, from the Malaysian point of view, it also means the other economies will, in turn, have the same advantage when competing against Malaysia in Chile.

Malaysians should also diversify their products and explore the vast potential in Chilean markets for information technology, palm oil, and automotive parts.

"In fact, trade associations in industries like rubber, consumer goods and construction should take the lead in this," he said citing the example of the Malaysian Timber Industries Board's sponsorship of a group of companies for a recent furniture fair.

Matrade, Sukumaran said, could help in arranging the trade missions or promoting Malaysian industries in general, but this did not compare to having a permanent location and a "face" in Chile.

"Thanks to Prime Minister Datuk Seri Mahathir Mohamad's promotion

efforts, we have an advantage because Malaysia is seen as the model for developing countries, but this is something we have to work on."

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