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Our success has its cost, says PM

A. Kadir Jasin in Havana

PRIME Minister Datuk Seri Dr Mahathir Mohamad said yesterday that Malaysia's unprecedented economic success, particularly in the last decade, had its own problems and cost.

Speaking at a gathering of Cuban and Malaysian businessmen in the capital of this Caribbean country, Dr Mahathir said that where the problems and issues involved the domestic economy, they were not impossible to manage.

But, he told the audience, the external problems did not lend themselves to easy solutions.

"Wherever adjustments have to be made to accommodate international demands, they will be made.

"At the same time, Malaysia will participate fully in the search for a more equitable and open world trading system."

Dr Mahathir noted that Cuba too had started opening its doors to foreign investment as part and parcel of its Economic Recovery Programme.

And the Prime Minister said Malaysia had found foreign investment to be helpful in transforming its economy.

"Such investments have created jobs, increased foreign exchange earnings and transfer of technology, expanded our industrial base and provided linkages between the agricultural and industrial sectors.

"It also spawned the growth of medium and small-scale industries."

As a result of these, said Dr Mahathir, Malaysians were now able to invest in other developing countries.

He also pointed out that Malaysia's economic transformation over the last four decades, which was based on sound policies and the people's hard work, had turned the country from producer and exporter of tin and rubber to that of manufactured goods.

Today, said the Prime Minister, manufactured goods accounted for 80 per cent of Malaysia's exports of US\$76 billion (RM228 billion).

Admitting that two-way trade between Malaysia and Cuba was small - amounting to less than US\$1 million a year - Dr Mahathir was delighted to note that progress was being made as a result of government and private sector contacts in the past few years.

He made a particular reference to the signing of three landmark agreements on Friday between the two countries, namely the Investment Guarantee Agreement, Trade Agreement and an agreement on the partial abolition of visa.

Acknowledging Cuba's advanced status in agriculture, medicine, biotechnology and pharmaceuticals, Dr Mahathir was happy that the private sector of the two countries had started to make progress in taking advantage of the available opportunities.

He noted the agreement between Malaysia's Padiberas Nasional Bhd and Cuba's Ministry of Foreign Trade and the Ministry of Agriculture on the domestic and regional marketing of Cuban rice. Rice is one of Cuba's major crops after tobacco and sugar-cane.

In the field of medicine and biotechnology, a Malaysian company, Raza Manufacturing Sdn Bhd, had entered into agreement with Cuba's Heber Biotic S.A., the marketing arm of the state-owned Centre for Genetic Engineering and Biotechnology, to market the latter's products in Malaysia.

Apart from trading and manufacturing, Dr Mahathir said Malaysian investors might find opportunities in the tourism sector worth examining.

He noted that it was the most dynamic and fastest growing industry in Cuba.

Last year saw the arrival, for the first time, of one million tourists to the island.

Other possible areas, said the Prime Minister, included textiles, garments and footwear, mining, oil and gas exploration and refining, power generation, property and construction, production of construction materials, industrial chemicals, detergents and fertilisers.

Dr Mahathir is accompanied by more than 50 businessmen and business executives led by the managing director of YTL Corporation Bhd, Tan Sri Francis Yeoh Sock Ping.

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