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PM calls for joint ventures by Malawians and Malaysians

Azmi Anshar in Blantyre

DATUK Seri Dr Mahathir Mohamad said Malawian and Malaysian businessmen should identify areas of mutual co-operation which they could then explore for joint undertakings.

The Prime Minister suggested both parties look into the possibility of going into manufacturing and processing activities, utilising locally available resources such as minerals and agricultural products.

He also urged them to jointly explore opportunities in third countries such as those in southern and central Africa where Malawian-Malaysian enterprises could combine their resources and experience.

The Prime Minister, who is here on a three-day official visit, said this at a Malawi-Malaysia Business Meeting held at the Sanjika Palace, the official residence of Malawian president Dr Bakili Muluzi.

Dr Mahathir had earlier held bilateral talks with Muluzi.

"For example, they could form joint ventures," he said, "to import, warehouse and distribute Malaysian manufactured products in Malawi, its neighbouring countries and other landlocked markets in Africa."

Touching on bilateral trade, Dr Mahathir said it did not reflect the true potential between the two countries and although small, it was growing steadily by 3.5 per cent per annum between 1992 and 1996, reaching US\$1 million (RM2.51 million) last year compared to US\$720,000 five years ago.

During this period, Malaysian exports expanded by four per cent annually to reach US\$440,000 in 1996 while US\$560,000 (RM1.4 million) of Malawian products were imported last year.

Ninety-four per cent of the imports comprise fresh, chilled, frozen or preserved vegetables.

"There is considerable scope for expansion of bilateral trade," Dr Mahathir said. "Malaysia can be a competitive source for imports of machinery, tools and equipment for light manufacturing and farming as well as consumer goods."

Dr Mahathir noted that the Malawian economy, which had grown as a result of the country's bold market reforms and wide-ranging economic restructuring, was expected to reach 7.1 per cent this year.

"I commend Malawi for its success," he said, "and share the people's aspiration of forging a distinct national identity."

Malaysia, Dr Mahathir said, would also like to move some of its labour intensive industries to Malawi to help create income for the Malawian workforce.

"I am sure you will agree with me that the first priority for a developing country is to create jobs for its workforce," he added.

Dr Mahathir also shared the Malaysian experience with his audience, saying that Malaysia began its industrialisation by concentrating on job creation efforts through labour-intensive industries.

Today, he said, Malaysia faced a labour shortage and had to relocate its labour intensive industries overseas to lower production cost.

"Malaysia has been cited as a model for economic development. Maybe it is," he said. "But I would like to stress that Malaysia's success is not a miracle as some suggest it is."

"Our success is due to plain hard work, discipline and a wish to be independent of foreign domination."

While agriculture and natural resources helped Malaysia, Dr Mahathir

said it was insufficient to create jobs and so Malaysia went into manufacturing and kept itself competitive through low inflation.

Stating that a prerequisite for economic growth was an adequate and efficient infrastructure, he said Malaysia had noted that Malawi too was upgrading its communications facilities and financial services to support its other economic activities.

Malaysian companies, Dr Mahathir said, had ventured into markets in the South and had accumulated considerable experience in banking, highway construction, housing and hotel development, power supply, oil and mineral exploration and telecommunications.

"Malaysia is prepared to work with Malawians in these areas," he said, adding that this was shown by the presence of the Malaysian business contingent led by Arab-Malaysian group chairman Tan Sri Azman Hashim.

Malaysian businessmen, he said, were keen to invest in 18 projects privatised by the Malawian authorities or acquire equity in 140 State-owned enterprises open to foreign participation.

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