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PM calls for strategic economic alliance

MALAYSIA is not only an attractive market for Argentina but with its good infrastructure facilities will also be a good base for them to do business with the other countries in Asean.

Argentines could use Malaysia to increase their business presence in the region either on their own or by teaming up with Malaysian parties to venture into projects in Third countries, said Prime Minister Datuk Seri Dr Mahathir Mohamad.

"Certainly, there is a considerable scope for expansion of bilateral trade and investment between Argentina and Malaysia," the Prime Minister said.

He was speaking at the launching of the Argentine Exporters Conference on Asean Countries at the Buenos Aires Stock Exchange and the Asean-Mercosur Business Council. Also present was Argentinian President Carlos Menem.

Dr Mahathir said while existing ports in Malaysia were being upgraded, new port facilities were being developed. The new KL International Airport in Sepang, scheduled for operations in 1998, will be able to handle a million tonnes of cargo and 25 million passengers per year.

Dr Mahathir said given the opportunities available in the areas of trade and investment, it was natural to extend them to the Asean and the Southern Common Market (Mercosur) groupings.

"I believe the time has come for us to foster strategic linkages in order to create partnerships in economic development not only in bilateral but also regional and global levels."

Mercosur, which groups several countries in the region, plans to become a free trade area by the year 2000. The group has a combined population of over 200 million and gross domestic product of over US\$1 trillion (RM3 trillion), as well as per capita income of US\$5,425.

Dr Mahathir said with the entry of Myanmar and Laos into Asean, the regional grouping had also turned into a larger entity with a population of 480 million and a combined gross domestic product of US\$711 billion.

Thus the area will offer attractive returns for investors, especially with various efforts to liberalise and promote businesses, for example through the Asean Free Trade Area.

He hoped Mercosur would adopt an open approach to trade with countries outside the region. By adopting such approach, groupings like Asean and Mercosur could also benefit countries beyond them, and as a result improve economic activity within the region.

This will invariably create greater opportunity and demand for goods and services from outside the region.

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