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Mahathir-Strategy

PM CALLS FOR STRATEGIC MALAYSIA-ARGENTINA ECONOMIC PARTNERSHIPS

By: K.C.Leong

BUENOS AIRES, Oct 3 (Bernama) -- The time has come for Malaysia and Argentina to foster strategic partnerships in economic development, not only at bilateral but also at regional and global levels, Datuk Seri Dr Mahathir Mohamad said Friday.

The upgrading and increasing efficiency of Malaysian ports and the upcoming new Malaysian international airport would enable the country to offer its best facilities to Argentina for doing business with Malaysia as well as with the Asean region, he said.

He was addressing the joint opening of the Argentine Exporters Conference on Asean countries with President Carlos Menem at the Buenos Aires Stock Exchange.

He noted that Asean had recently expanded to include Myanmar and Laos to become an entity of 480 million people with a combined gross domestic product (GDP) of US\$711 billion while Argentina was a member of the South American economic grouping, MERCOSUR, which had recently admitted Chile and Bolivia as associate members to enlarge its market to 201 million and a GDP of over US\$1 trillion.

With Asean having already established the Common Effective Preferential Tariff scheme and moving towards establishing its free trade area and investment area, he encouraged Argentine entrepreneurs and investors to increase their business presence in the region by using Malaysia as a springboard for production and distribution of their goods into the Asean region.

"Argentine companies can also enter into partnerships with Malaysian companies to venture into projects in third countries," Dr Mahathir said.

He was also confident that the realisation of plans in MERCOSUR would further stimulate the economic growth of its member countries and that the grouping would adopt an open approach to trade with countries outside the region.

"By adopting an open-regionalism approach, regional groupings such as MERCOSUR and Asean will also benefit countries outside their respective regions as a result of increased activity within the region," he said.

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

Dr Mahathir also said that Malaysian and Argentine businessmen must work towards increasing the quantum of trade to a much higher level after having risen to US\$351 million in 1996 from US\$101 million in 1991.

There was certainly considerable scope for expansion of bilateral trade and investment, he added.

The prime minister said Malaysia had always adopted a pro-business approach in its development efforts and had a clear and transparent set of guidelines to facilitate investments.

The country, he added, had consistently recognised the importance of long-term Foreign Direct Investments (FDI) for its economic growth and development.

It had succeeded in its efforts to promote FDI into the manufacturing sector. From 1992 until July this year, a total of 4,526 manufacturing projects involving capital investment of US\$53.3 billion had been approved, he said.

Of the amount, Dr Mahathir added, US\$27.2 billion, or 50.6 per cent, were FDI, reflecting the attractiveness of the Malaysian investment

environment.

Malaysia, in promoting the thrust into high-tech industrialisation had identified several products and activities in new and emerging technologies, including advanced electronics, equipment/instrumentation, bio-tehnology, automation and flexible manufacturing systems, electro-optics and non-linear optics/advanced materials, optoelecctronics, software engineering, alternative energy sources and aerospace, he said. --

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