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PM urges KL-Mongolia private sectors to be proactive

Rose Ismail in Ulan Bator, Mongolia

PRIME Minister Datuk Seri Dr Mahathir Mohamad said Malaysia welcomed steps taken by the Mongolian Government to bring its country's economy into the mainstream of world trade and urged private sectors from both countries to take advantage of this.

Dr Mahathir said while both Governments could lead the way, it was up to the Malaysian and Mongolian private sectors to be proactive in furthering discussions, exploring opportunities and exchanging visits.

He was speaking at a luncheon hosted by the Mongolian Chamber of Commerce and Industry and the Malaysian business delegation yesterday. Dr Mahathir is here on an official visit.

In his speech delivered at the Chinggis Khaan, which is the only five-star hotel in the city, Dr Mahathir said Malaysia was following the economic transition in Mongolia with great interest.

He said he was also keen to see Mongolia expand its international markets by seeking trade relations with countries in the Asian region including Malaysia.

However, he noted that the current level of trade and the narrow range of products traded was far below the potential for bilateral trade between the two countries.

Last year, bilateral trade between Malaysia and Mongolia was about 0.32 per cent of Mongolia's total world trade.

Dr Mahathir said from this humble beginning, he hoped the economic relations between the two countries could be raised to new levels.

Already, he said, both countries had in place the necessary framework to enhance business and trade in the form of the Investment Guarantee Agreement and Avoidance of Double Taxation Agreement which were signed in Kuala Lumpur in July 1995.

These agreements, he said were a reflection of sincerity and determination of both countries to promote bilateral and economic relations.

Dr Mahathir said his Government actively encouraged Malaysian entrepreneurs to seek trade abroad, especially in countries of the South.

However, he stressed that these ventures had to benefit both the host country as well as the Malaysian companies.

It was in this spirit, he said, that he and his delegation of businessmen were in Mongolia.

"The Malaysian private sector is ready to co-operate with Mongolian enterprises in various sectors and explore the possibilities of going into value-added manufacturing activities utilising locally available resources," he said.

Three Malaysian companies were already operating in Mongolia - Sriwani Holdings Bhd, which entered into a joint-venture project with Mongolia's MM Holding Ltd to construct and manage duty-free complexes; Malaysian Mining Corporation which is involved in a joint-venture agreement with Mongolian partners to undertake the EGIIN hydroelectric project and Optaspar Sdn Bhd which is working with the Monsonic Group in Mongolia to supply Malaysian refined sugar and rice to Mongolia.

Dr Mahathir also promoted the "Smart Partnership" concept to the Mongolian businessmen, saying that undertakings under this approach was aimed at creating a win-win situation.

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