

06 APR 1997

Mahathir-Investment

TIME FOR KUWAITI AND MALAYSIAN BUSINESSMEN TO LINK-UP GLOBALLY

By: Abdul Rahman Ahmad

KUWAIT CITY, 6 April (Bernama) -- Datuk Seri Dr Mahathir Mohamed today said the time has come for Kuwaiti and Malaysian businessmen to foster strategic linkages at regional and global levels rather than just create partnerships based on bilateral ties.

The Prime Minister said Kuwaiti businessmen could use Malaysia as a gateway to Asean and thereby increase their presence in a region that promised tremendous business opportunities in the future.

He assured them that by the year 2003, the Asean Free Trade Area (Afta) would become a reality and Asean-manufactured products would have tariffs of not more than five percent across the board.

"Kuwait businessmen must not only look at the opportunities available in Malaysia, but must consider Malaysia as a strategic location in the Asean region as a whole," he said at a reception here attended by Kuwaiti and Malaysian businessmen.

Dr Mahathir, who arrived here yesterday for a three-day visit, is on a mission to attract more Kuwaiti businessmen to Malaysia besides strengthening bilateral ties.

His 50-member delegation includes prominent businessmen like MAS Chairman Tan Sri Tajuddin Ramli and Land and General Bhd Chairman Tan Sri Wan Azmi Wan Hamzah, and government officials such as Entrepreneur Development Minister Datuk Mustapa Mohamed, Terengganu Mentri Besar Tan Sri Wan Mokhtar Ahmad and Deputy Finance Minister Datuk Affifuddin Omar.

Dr Mahathir said that with the inclusion of Vietnam into Asean, the grouping now had a population of 420 million and all the seven-member countries - the Philippines, Thailand, Malaysia, Singapore, Indonesia, Brunei dan Vietnam - registered an average annual economic growth of between seven and nine percent.

Intra-Asean trade during the first half of last year stood at US\$56.2 billion (US\$1 = RM2.5) and its Gross Domestic Product was about US\$510.7 billion, he said.

Dr Mahathir said positive revisions of Malaysian policies had successfully attracted foreign direct investments, particularly in the export-oriented industries, making it a leading producer and exporter of a range of manufactured products such as rubber gloves and threads, room air-conditioners, semi-conductors and audio-visual equipment.

Last year, Malaysia exported US\$18 billion worth of goods to the United States alone, most of which was made up of manufactured goods, he said.

He said the Malaysian private sector had been very supportive of this drive and it had even established business contacts and networks in many countries in Africa, Latin America and Asia which had resulted in greater flow of trade and investment.

He said policies that had been drawn up to attract domestic and foreign investment, particularly in the manufacturing sector, had been constantly reviewed for further deregulation, transparency and efficiency of the sector.

"Although a lot of our manufactured goods carry foreign brand names, many are manufactured by Malaysia-owned companies and today these companies are producing similar goods bearing their own brand. And as for the quality, it is the same as those they produce as the Original Equipment Manufacturer (OEM) products," he said.

Dr Mahathir said to complement and enhance Malaysia's regional and

international linkages, Labuan had been designated as an Offshore Financial Centre, with the necessary infrastructure support and facilities out in place.

An attractive package of fiscal and non-fiscal incentives had also been offered to companies that locate their regional headquarters in Malaysia which are comparable to the best in the region, he said.

Dr Mahathir said the emergence of a full-fledged Islamic banking system would undoubtedly bring an added dimension to the market.

However, he said even though Malaysia was considered to be leading the way in the implementation of Islamic banking, it would be difficult to implement a functional Islamic investment and capital markets at the international level without some degree of consensus among Islamic scholars on these matters.

"There is certainly a great desire on the part of many Islamic banks to be involved in project financing, particularly in the East Asian countries where there is a growing number of new high-profile projects emerging," he said.

He also said Malaysia's Second Industrial Master Plan (1996-2005) was the government's commitment to propel Malaysia to become a fully developed nation by the year 2020, where some US\$100 billion worth of investment would be needed to achieve the target of increasing manufacturing value-added share of the GDP to 38.4 percent by the year 2005.

Dr Mahathir also said since ties were established between Malaysia and Kuwait, bilateral trade had been growing steadily from US\$36.96 million in 1992 to US\$107.68 million last year, recording an increase of 48 percent per annum.

Nevertheless, he said, Malaysia's imports from Kuwait last year amounted to US\$27.29 million, down 82.2 percent compared to the US\$68.51 million recorded in 1995.

Major import items from Kuwait include crude petroleum (94.5 percent) and copper waste and scrap (three percent).

Malaysia's exports to Kuwait amounted to US\$70.28 million last year, an increase of 2.6 percent compared to 1995.

Substantial amount of the exports to Kuwait comprised products like electrical and electronic goods (23.2 percent), wood and wood products (five percent). -- MORE

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