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Time for investors to grow up

REVERSE investments made by Malaysians abroad are an indicator that they are becoming more enterprising when it comes to doing business on a global scale. The Government has been very supportive in encouraging investors to seek business ventures worldwide as it reflects their ability to match and brave the challenges of the well-established companies from the developed world. In providing assistance to these investors and in helping them to make things happen, the Government and its agencies have laid the framework and the foundations within nations in six continents. With Prime Minister Datuk Seri Dr Mahathir Mohamad leading Malaysia's business missions abroad, our businessmen are being well-facilitated with the signing of numerous bilateral agreements paving the way for their investments.

Nevertheless, there is always a risk in doing business - locally or abroad. Our businessmen have to accept the fact that being the facilitator, the Government has done its best to ensure that Malaysian businessmen are well received by their host nations. Apart from that, the Government also keeps a stern eye on investors who flout the rules and regulations of their host countries. Malaysians have an advantage in the fact that the Government and investors actively interact to tackle any complications arising from reverse investments. Not many countries will call up their businessmen to caution or even reprimand them if they break the rules.

However, the Government does not give assistance to the extent of getting involved in problems like compensation proceedings filed by Malaysian companies whose investments overseas have been adversely affected. The Government has already laid a strong foundation for Malaysian businesses in many countries. Investors should then work towards strengthening it. With the Government having put the ladder in place, they should work their the way up the rungs, and calculate the risks involved in the process.

Foreign Minister Datuk Abdullah Ahmad Badawi said on Sunday that the Government will not get involved in situations such as that being faced by Penang Shipbuilding Construction Sdn Bhd (PSC) in Albania, which claimed a loss of US\$16 million (US\$1 = RM2.50) in a bomb attack on its Kamza Turn housing project site in Tirana. Abdullah said it was difficult to forecast the future political or economic situation in certain countries and any crisis would usually erupt without warning, and hence the Government is in no position to do anything under such circumstances. The Government looks upon any compensation claim against any foreign government by Malaysian investors as private and it is up to them to make their own interpretation of the investment guarantee agreement in those countries.

By signing the IGA with foreign governments, the Malaysian Government is paving the way for Malaysians to invest overseas or to expand their investments. But as Abdullah said, the political conditions in some countries are very unpredictable. Malaysian investors should invest in the right place at the right time. While PSC finds a way to resolve its problems, the Government will monitor the situation, and if necessary, will help after conditions in Albania are back to normal. The Government is therefor not washing off its hands completely after all.

Malaysia has signed the IGA with more than 20 countries and when each agreement was signed, the political and economic climate was stable and

condusive to foreign investments. However, the Government has no control over the internal politics of a particular country. Albania is not the only problem. The same situation arose in Papua New Guinea, and in Cambodia. But no country is plagued with political turmoil forever. Sooner or later, there will be peace and stability, and that will be when Malaysian investors can reap the fruits of their hard work and patience.

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