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African trip underlines importance of enhanced bilateral trade

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MALAYSIA'S bilateral and business interests have now extended even to the upper and lower reaches of the Nile.

The boost was provided by the visit of Prime Minister Datuk Seri Dr Mahathir Mohamad to Egypt and Sudan last week even though it came at a time when Malaysia is going through a very challenging period due to problems in the stock and financial markets.

The choice of Sudan in his itinerary, especially, must have raised quite a few eyebrows considering that it is one of the poorest countries and is politically unstable.

Many are inclined to ask: Why Sudan and why now?

Why not? The delegation of businessmen who accompanied the Prime Minister on his three-day visit seem to think that there is a lot in store in Sudan, which is a predominantly desert country.

And their optimism goes in tandem with Dr Mahathir's argument that increased bilateral trade provides a better prescription to Malaysia's economic woes.

Originally, only 15 businessmen were due to accompany the Prime Minister to Sudan. But the number swelled to 26, providing a somewhat pleasant surprise to Dr Mahathir himself.

Among the big boys in the group are representatives from Petronas, which has a major project going, and Advance Synergy which is building a hotel in Khartoum.

Dr Mahathir, who was in Sudan for the first time, said he himself was quite surprised at what he saw because the country was far from what had been described. He found it peaceful and there was no widespread starvation.

Members of the Malaysian delegation in fact found it quite amazing that they were treated to lavish meals at almost every turn. At one dinner, there was, among other things, roasted lamb - the whole lamb - on every table. And because there was so much food, this dish remained untouched on most tables.

Many among the Malaysians found it hard to swallow all the food, wondering how things were in other parts of the country.

But this aside, there was no doubt that Sudan provided vast opportunities. Malaysian traders, for instance, could look into importing meat products which could be cheaper.

Petronas has already established itself as a major investor with interests in a multi-national consortium that will construct, own and operate a 1,540km export pipeline from rich oil wells in the interior to Port Sudan, the country's main port.

The investment, costing about US\$600 million, is Petronas' largest in a foreign country and it gives the national oil company access to 29 oil wells with reserves of 660 million barrels, located in Southern Sudan.

The other members of the consortium are China National Petroleum Corporation which will hold 40 per cent interest, Canada's State Petroleum (25 per cent) and Sudapet, the Sudanese national oil company (five per cent).

In conjunction with Dr Mahathir's visit, the Malaysian Government said it would donate 5,000 tonnes of rice to ease food shortages in southern Sudan.

Though this was not formally announced, it is understood that the rice

would be sourced from either India or Pakistan through Padiberas Nasional Bhd (Bernas).

Dr Mahathir's visit to Egypt, which coincided with the Group of 15 summit in Cairo, was equally significant in that it underscored a breakthrough especially for Malaysia's automotive industry.

Perusahaan Otomobil Kedua Sdn Bhd (Perodua), the makers of Kancil motorcars, are now making plans to initially assemble and later manufacture the car in Cairo together with an Egyptian partner and in collaboration with Perusahaan Otomobil Nasional (Proton).

The Egyptian Government pledged full support for the project through its Prime Minister Dr Ahmad Kamel El-Ganzouri.

Perodua and its Egyptian partner have also been given a large piece of land near the Egyptian capital for the manufacturing operations.

Perodua began exporting the Kancil to Egypt last February. Its first consignment of 80 Kancils were snapped up in the very first week that it arrived there.

The second consignment of 120 units will arrive in the middle of the month and another 140 units will be shipped here at the end of the year.

Perodua joins Sime Darby in putting a Malaysian presence in Egypt. Sime Darby Edible Oils Products has been operating in Alexandria since 1991, producing 60,000 tonnes of palm oil products a year through its two refineries which cost US\$40 million each.

Sapura, the telecommunications and multimedia company, is also looking for contracts and joint ventures in Egypt while Business Focus is looking at the privatisation of the Alexandria Shipyard.

Apart from that, Malaysia and Egypt also agreed to undertake joint air operations between Kuala Lumpur and Cairo.

At present, Malaysia Airlines is operating the Airbus A330 into Cairo, via Dubai and Beirut. The national carrier, however, does not have fifth freedom rights out of Dubai and Beirut into Cairo.

Although Dr Mahathir is seen to be aggressively promoting business interests during his visit to the two African countries, he made it a point to the Malaysian businessmen on several occasions not to give the country a bad image.

Reports and complaints about the ugly Malaysian businessman and fly-by-night operators are not uncommon, especially in African countries.

In one of his reminders in Khartoum on Friday, the Prime Minister cited a case where a Malaysian firm, after obtaining a huge contract to build a billion-dollar dam in a foreign country, had sold off the contract to another party.

He also hit out at Malaysian firms which were quick to sign memorandums of understanding with foreign partners but were not serious in carrying out the projects.

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