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PM: Invest overseas again once economic problems pass

Ahmad A. Talib in Maputo, Mozambique

IN yet another effort to encourage Malaysian businessmen to seek new ventures abroad, Datuk Seri Dr Mahathir Mohamad told them that they should take a longer term view of their interests.

The Prime Minister said that the financial crisis might have affected their ability to invest elsewhere, but they should not give up. They must formulate new approaches and continue their quest once the crisis is over, he added.

Dr Mahathir said this at a business luncheon and dialogue in Maputo, Mozambique, yesterday. The luncheon was part of the programme of his three-day official visit to the African country. Earlier, he visited the Mozambiquean Heroes Monument and inaugurated the International Commerce Bank.

He was also given a briefing by the Ministry of Transport and Communications on the development of the Maputo fishing port and harbour. In the afternoon, the Prime Minister visited the Institute for Agricultural Research and the Matola Industrial Zone.

Malaysian businessmen led by the chairman of the Berjaya Group, Tan Sri Vincent Tan, joined their local counterparts at the luncheon.

The Prime Minister said: "Malaysia and Mozambique have the potential to develop our bilateral trade and economic relations, particularly in the area of agriculture, power generation, infrastructure, mining and exploration of natural resources.

"It is, however, crucial for the public sectors of both countries to assist our private sectors to increase bilateral economic relations," he added.

Bilateral trade is expected to be boosted by two agreements to be signed on this visit. They are the Double Taxation Agreement and the Investment Guarantee Agreement. Both countries have only one agreement so far - a bilateral payment arrangement signed in 1991.

Bilateral trade is on the decline. In 1995, it amounted to US\$4.07 million (RM16.6 million); in 1996 it was US\$2.96 million; and last year it went down to US\$1.74 million.

Last year, Malaysia's exports to Mozambique totalled US\$1.73 million compared with US\$2.72 million in 1996. The export items were mainly vegetable oils and fats, natural rubber and natural gum. For the first five months of this year, exports came to US\$1.6 million.

Malaysia's imports from Mozambique totalled US\$5.037 million last year, compared with US\$255,984 in 1996. These were mostly fruits and nuts.

Dr Mahathir also spoke of the hardship Malaysian businessmen were facing because of the financial crisis. "As a result of this turmoil, we have been financially emasculated. We are now not only unable to venture abroad, but even at home we are having difficulties in trying to keep our enterprises alive," he said.

Elaborating on the difficulties brought about by the forced depreciation of the ringgit, the Prime Minister said: "The harassment is so great that we are often unable to attend to common courtesies such as replying letters.

"But we are not about to give up. Once we have overcome our present problems, we would like to venture abroad again, to participate in the economic development of other countries of the South," he added.

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