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Mahathir - Trade

MAHATHIR CALLS FOR INCREASED EGYPT-MALAYSIA TRADE

By: Azman Ujang

CAIRO, May 9 (Bernama) -- Describing economic and trade activities between Malaysia and Egypt as still lacking in substance, Prime Minister Datuk Seri Dr Mahathir Mhamad has called for an increase in the trade volume so as to make it worthwhile for ships to pick up cargoes in Egyptian and Malaysia ports.

He said both countries had very frequent sailings between their ports but the important thing was to increase the volume of trade.

Dr Mahathir said although Malaysia Airlines now flies into Cairo via Lebanon, the frequency would have to be built up to facilitate business travels as well as tourism in both directions.

Addressing a Business Forum hosted by the Federation of Egyptian Chamber of Commerce at the Marriott Hotel here, he said although Egypt was the first Arab country to establish its embassy in Kuala Lumpur in 1959, it was only in the mid-1980's that there was an increase in economic interaction between two countries.

But trade and investments had seen remarkable growth lately with Egypt becoming Malaysia's second largest African trading partner after South Africa.

With US\$233 million worth of two-day trade recorded in 1997, the prime minister said the volume could be increased in just a short time if business people of the two countries got together.

But Malaysian investments in Egypt are still quite small. Malaysia's multinational Sime Darby is engaged in palm oil refining in Egypt's Port Said while Perodua, the country's second car maker, is looking into possibility of producing cars in Egypt in collaboration with Proton, the first national car producer.

"The Egyptian government has been very supportive. We do hope that we can produce the Malaysia/Egyptian cars here, and accomoany the industry with the production of parts and components which we can export to each other and to third countries," said Dr Mahathir.

The prime minister was scheduled to open Perodua's main showroom here at Km22 Cairo-Ismailia Desert Road here later Saturday.

Shortly after his arrival here Friday for a three-day official visit, he held talks with the chairman of the Al-Jameel Group, Sheikh Yousef Abdul Latif Jameel on Perodua's proposed car joint venture with the group.

Perodua's compact family car, Kancil, the second largest selling car in Malaysia after Proton models, has already made inroads into the Egyptian market with the initial sale of 80 units in February and a few hundred more due in two shipments in May and end of the year.

Dr Mahathir said Malaysia, which believes in smart partnership, sees Egypt as a good partner not just for exporting its goods but for importing some of Malaysia's needs.

"There is much we can do together, here in Egypt and in Malaysia. Our business people must seriously look into all the potentials," said the prime minister, who as usual is accompanied on this trip by a Malaysian business delegation.

He told Egyptian entrepreneurs and investors not only to look at the domestic market in Malaysia but also the Asean and the Asia-Pacific markets.

In his view, with the recent entry of Myanamar and Laos into Asean, the region is now a market with more than 491 million people with a combined

gross domestic product (GDP) of US\$645 billion.

Asean groups Brunei, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam.

Dr Mahathir said when the Asean Free Trade Area (AFTA) was fully implemented by 2003, there would be a single Asean market in which tariffs for the region's manufactured goods would not exceed five per cent and with the majority attracting zero tariff.

This huge and dynamic regional market would in itself be attractive to foreign investors.

"I would like to encourage the Egyptian private sector to consider setting up their operations in Malaysia and use Malaysia as a springboard and distribution of their products in the region.

"I am sure the Egyptian government will give every support. Certainly the Malaysian government will give full support and encouragement," said Dr Mahathir, who earlier in the day held talks with Egyptian prime minister Dr Kamal Ahmed Al Ganzoury aimed at enhancing business ties and cooperation in other areas.

After attending the Business Forum, the prime minister held a four-eyed meeting with President Hosni Mubarak.

This was followed by the signing of a science and technology agreement and a memorandum of understanding on Islamic affairs and Wakaf (Islamic endowment).

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