

03 AUG 1998

MALAYSIA-SIGNS

MALAYSIA-DJIBOUTI SIGN INVESTMENT GUARANTEE AGREEMENT

KUALA LUMPUR, Aug 3 (Bernama) -- Malaysia and Republic of Djibouti today signed an investment guarantee agreement to expand economic and industrial cooperation between the two countries.

Malaysia was represented by Minister of International Trade and Industry Datuk Seri Rafidah Aziz and Djibouti by Minister of Commerce and Industry Mohamed Barkat Abdillahi.

"Although at present there is no Malaysian investment in the republic of Djibouti and vice versa, the signing of this agreement will provide a conducive framework for the two countries to enhance bilateral trade and investment ties," according to a statement released by MITI at the ceremony.

The signing was witnessed by Prime Minister Datuk Seri Dr Mahathir Mohamad and Djiboutian President Hassan Gouled Aptidon.

The agreement among others, protects investment by investors of both countries made prior to as well as after the signing of the agreement.

The agreement also ensures investment made by investors of both countries shall receive treatment which is fair and equitable and not less favourable than that accorded to investment made by investors of any third state.

The agreement provides certainties and addresses the concern of investors on matters pertaining to expropriation and nationalisation, repatriation of profit in terms of free transfer of income accruing to investment and settlement of investment disputes.

With the signing of this agreement, Malaysia has committed itself to a total of 64 investment guarantee agreement.

Last year Malaysia's bilateral trade with Djibouti totalled RM13.76 million. For the period of January to May this year total trade between the two countries amounted to RM4.95 million.

In 1997 export from Malaysia to the African country was RM13.68 million with main export items of palm oil, furniture, fabrics, sacks and bags of plastic, which constituted 89.72 percent of Malaysia's total export to Djibouti.

Malaysia's import for 1997 from the country was RM0.074 million. The main import item was synthetic fibres which accounted for 94 percent of Malaysia's import from Djibouti.

The government of both countries also agreed to provide necessary assistance and encourage private enterprises and organisations to explore the opportunity in investment areas. -- BERNAMA

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