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More Malaysians tap investment opportunities in Chile

Rupa Damodaran in Santiago, Chile

MORE Malaysians are flocking to South America actively in search of business deals after Prime Minister Datuk Seri Dr Mahathir Mohamad's visits to the region in 1991 and last year.

Masscorp or the Malaysian South-South Corporation Bhd (Chile) S.A. managing director Datuk Juan Claudio Ilharreborde said recently in Santiago that business co-operation so far had been successful.

"When it is a Government-to-Government co-operation, people get confused ... whether it is the Apec or Government-to-Government agreement.

"They hardly know about Mercosur (the South American trade bloc) what more the Apec.

"That's why Malaysians have a good name here. Chileans recognise the Malaysian flag as 'the guys who created a new township in San Bernado'," he said.

Residents in downtown Santiago recognise the 11-storey newly-constructed Edificio Malasia or Wisma Malaysia building in which Masscorp has bought six floors.

The other co-investors are Masscorp shareholders - the Selangor State Development Corporation, IJM and Landpac Group.

The building houses the Malaysian Embassy, the Malaysian Trade Commission office (Matrade), Guthrie Malaysia Trading Corporation Sdn Bhd and other major international conglomerates as well as Chilean companies.

Ilharreborde said among the best investments in Chile were its infrastructure and property development sectors.

Chile's infrastructure, which has not kept pace with its fast growing economy, has resulted in "bottlenecks".

In the last four years, Chile has privatised all the highways and has invited Malaysians to participate in its multi-billion dollar road and highway construction.

IJM Corporation Bhd, identified as one of the leading Malaysian companies in South America, has shown keen interest in the development of highways.

Apart from its 25 per cent shareholding in San Bernado where it is re-developing a former railway depot, IJM also has a 25 per cent interest in a major highway project in Argentina.

The 60km length west access highway linking Buenos Aires with its nearby town cost US\$130 million (RM585 million).

Ilharreborde said there was also the prestigious urban highway project worth US\$340 million, the largest private concession of highways in the country.

Tenders are to close by April and one Malaysian public-listed company is expected to bid for it.

"Mercosur is our main carrot ... our main means of convincing Malaysians to invest in an area where there is a market for 300 million people," Ilharreborde said.

Chile is like a fifth country of Mercosur, with a special regime as its tax duties are lower than that of Mercosur's.

For Malaysian investors, he said, this was the right time to invest in South America as they would be excluded from paying duties for four years.

"Masscorp, on our part, will look out for new markets for the Malaysian business investors and save them the time of seeking a local partner."

Ilharreborde said of interest now was a tourism project in the south of

Chile.

With the Chilean Government privatising parks in the country, it is an opportunity to develop 35,000ha into a ski centre and national park.

"We're trying to get the Malaysian expertise in the development of hotels."

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