

21/02/1998

UK firms not put off by turmoil

Sreerema Banoo

BRITISH companies are still interested in doing business in Malaysia and are not put off by economic problems in the region, British High Commission director of trade and investment Mr Howard Parkinson said.

"British companies have continued good faith in the Malaysian economy and there is no slowdown in the number of inquiries from companies looking for joint-venture partners.

"These companies are interested in local manufacturing opportunities, technology transfer and smart partnership opportunities," he told Business Times.

He added, "British Aerospace recently announced it will be working with Khazanah Nasional Bhd and SME Technologies to expand Malaysia's aerospace industry."

"It is not just a case of money being put in by British companies but it also shows the confidence these companies have in their Malaysian counterparts," he added.

Areas that have caught the eye of British companies are multimedia and information technology (IT), transport, tourism and education.

"Many companies continue to seek MSC (Multimedia Super Corridor) status.

"Prof Alec Broers, vice-chancellor of Cambridge University and Sir Peter Bonfield, chief executive officer of British Telecom have been invited by Prime Minister Datuk Seri Dr Mahathir Mohamad to become members of the MSC Advisory Panel," he said.

In education, because of the long tradition Malaysian students have with the UK, many universities there are reacting to the economic problems and depreciation of the ringgit by deferring fees, for example, he said.

"In oil and gas, UK companies have the expertise in deepwater exploration and because Malaysia has recently ventured into this, there is potential in this area as well as in the decommissioning of rigs," Parkinson added.

For the long term, British companies, he added, have shown interest in areas such as healthcare, environment and security equipment.

Parkinson was in the UK in January for two weeks to "underline the importance of the Malaysian market and to counter some of the negative regional issues reported in the international press".

This message, he said, was put forward at seminars organised with trade associations, chambers of commerce and some 25 companies.

"British companies reacted positively to the message that Malaysia's current economic problems are not as severe as some of the other countries in the region," he said.

Furthermore, he added, there is full support from the European Union (EU) for the International Monetary Fund (IMF) packages for some of the troubled economies in the region.

The South-East and East Asian region, he added, is important to the EU where exports from the EU to the region stood at US\$123 billion (US\$1 = RM3.79) in 1996.

He further added that the EU's banking involvement in Asia totalled US\$354 billion in 1996, more than the US and Japan combined".

"The belief is that Malaysia has been, and will continue to be, an important trading partner," he said.

From January to November last year, Malaysian exports to the UK stood at STG1.86 billion (STG1 = RM6.20) while imports from the UK stood at STG1.12

billion, he said.

(END)