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Malaysian businessmen see potential in Buryatia

Fauziah Ismail in Ulan Ude, Buryatia (Russian Federation)

ULAN UDE, Buryatia (Russian Federation), Fri: Malaysian businessmen, who are scouring for investment opportunities in this autonomous Russian region, say they are encouraged by what they have "seen and heard". Despite the lack of basic infrastructure in the city and elsewhere in the country, they are heartened by the fact that Buryatia welcomes foreign capital in almost all sectors of its economy.

Buryatia opened its doors to outsiders in 1998 in recognition of the need for foreign investments to revive its economy, which was dominated by smokestack industries.

"The first question I asked them was whether they welcome foreign investments in the mining sector," Malaysian Mining Corp (MMC) executive director Ab Sukor Shahar told Business Times here.

"I was encouraged (by their response)... the Australians and Canadians are already here," he said.

Ab Sukor is one of three members in the private sector delegation accompanying Prime Minister Datuk Seri Dr Mahathir Mohamad on a two-day working visit here.

The other two are Rimbunan Hijau Group managing director Tan Sri Tiong Hiew King, and Airod Sdn Bhd and Aerospace Industry Malaysia president Tan Sri Ahmad Johan.

Dr Mahathir and his wife, Datin Seri Dr Siti Hasmah Mohd Ali, arrived at the Ulan Ude airport at 2.15pm today from Beijing. He was received at the airport by Buryatia President Leonid Vassilievich Potapov who had extended the invitation to the Prime Minister when visiting Malaysia last July.

Among the ministers in the delegation are Foreign Minister Datuk Seri Syed Hamid Albar and Defence Minister Datuk Abang Abu Bakar Mustapha. Initial "prospecting" in the mining sector has proved to be fruitful for MMC. The Buryatia Government is offering the company an area with known primary deposits of gold in one of its six regions.

It is understood that the area has the prospect of producing 29 grammes of high-grade gold per tonne of ore.

"I will be sending my geologists... it should take another month or two to follow up on the lead," he said. If MMC takes up Buryatia's offer, it would be in joint venture with a local partner.

The six regions consist of 218 proven gold-bearing areas, of which 13 are ore fields while the rest placer (alluvia) deposits. Buryatia produced 4,080kg of gold in 1994, 37 per cent from the ore deposits and 63 per cent the placer deposits.

As for the aviation industry, Ahmad was impressed with the "high technology at low cost" offered by Buryatia

"We asked that they set up their centre in Malaysia. They are keen and we are looking at what we can offer them and what they can offer us... it may see investments of a few billion ringgit," he said.

During his visit to Kuala Lumpur in July, Potapov had said that Buryatia plans to set up an aviation centre in Malaysia to market its helicopters in the region.

Upon arrival at the airport, Dr Mahathir and his entourage were taken to the Buryatia Government's guest house Sosnovy Bor. The Prime Minister later paid a courtesy call on Potapov at his office and attended a dinner hosted by the President.

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