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Malaysia remains top investor in Cambodia

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MALAYSIA has been able to maintain its position as a firm investor in Cambodia, with investment amounting to RM1.7 billion as at December last year despite the present economic downturn.

The total cumulative Malaysian investments accounted for 31 per cent of the total foreign direct investment in Cambodia during the period.

This was disclosed during a bilateral meeting between Prime Minister Datuk Seri Dr Mahathir Mohamad and his visiting counterpart from Cambodia Samdech Hun Sen in Kuala Lumpur yesterday.

Foreign Minister Datuk Syed Hamid Albar, who attended the meeting, later told reporters that Malaysia is still one of Cambodia's biggest investors although the country is facing problems in the current economic situation. In terms of trade, Malaysia's bilateral trade with Cambodia totalled RM326.8 million in 1997. It registered a total trade of RM175.4 million in the first 11 months last year.

Exports from Malaysia to Cambodia amounted to RM267.8 million and RM129 million in 1997 and from January to November 1998 respectively. The main export items were aircraft, knitted or crocheted fabrics and fibres, and track laying bulldozers and angle-dozers.

On the converse, Malaysia's imports from Cambodia in 1997 amounted to RM59 million and RM46 million in the first 11 months last year.

"They (Cambodia) are also seeking financial assistance from Malaysia to develop their own water resources such as building dam projects and water catchment areas as well as for rural development."

"To this request, the Prime Minister said the Government will look into it. Probably, this could be sourced from the fund under the Malaysia-Japan joint cooperation to assist developing nations," Syed Hamid said.

Trade and industrial cooperation between both countries were further strengthened, following the signing of a Trade Agreement which was held in conjunction with Hun Sen's three-day visit to Malaysia beginning yesterday. Cambodia is the 58th country to sign the agreement with Malaysia.

International Trade and Industry Datuk Seri Rafidah Aziz signed on behalf of the Malaysian Government, while Cambodia was represented by its Commerce Minister Cham Prasidh.

Later, at a welcoming dinner, Dr Mahathir said the private sector in Malaysia has actively explored the collaborative opportunities available in Cambodia.

"We have at present about 70 Malaysian companies in Cambodia, of which 30 are involved in joint-venture projects," he said.

He also said the private sectors of both countries have a vital role to play in promoting growth and development of the two economies.

"We have much to gain by forging cooperation for our mutual benefit. The presence of Malaysian corporate leaders and entrepreneurs in Cambodia testifies to the commitment to engage in productive collaboration with their Cambodian counterparts."

"Malaysian private sector participation in the reconstruction and development of Cambodia would continue to be encouraged. We will ensure that they pay due respect to Cambodia's laws, regulations and policies," he said.

Dr Mahathir said Malaysia also warmly welcomed Cambodia's accession as the 10th member of the Association of South-East Asian Nation (Asean).

"We see Cambodia's membership as a positive development in bringing closer the attainment of our objective of an enlarged Asean, with all the South-East Asian nations as full members."

"Malaysia is also confident that Cambodia would be able to contribute and play a significant role in enhancing and developing the organisation in the interest of regional peace, security and prosperity," he said. Earlier, Syed Hamid said the Prime Minister has told Hun Sen that he is happy that Cambodia now has a stable and cohesive government and is moving towards achieving national reconciliation.

"Dr Mahathir also hoped that Cambodia would establish a Senate to facilitate its formal entry into Asean in which Hun Sen responded by saying that he was moving in that direction, according to the process and mechanism prevalent in Cambodia to realise its desire to be part of the grouping," Syed Hamid said.

Although there is no deadline given for Cambodia to fulfil the requisites for a new coalition government, including the establishment of a Senate before it joins Asean, Syed Hamid said Malaysia hopes it would be able to be admitted as soon as possible.

At last December's Asean summit in Hanoi, Asean leaders agreed in principle to admit Cambodia as the grouping's 10th member and instructed their foreign ministers to arrange a special admission ceremony for Cambodia at an appropriate time in future.

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

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