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Russia a 'good place for long-term investment'

MALAYSIAN investors and entrepreneurs have been urged to take a long-term view of business opportunities in Russia.

Malaysia's ambassador to Moscow Datuk Yahya Baba said the environment was understandably different from that in Malaysia but there were business opportunities.

There is market demand for consumer goods. With a lower capacity to import, there is greater demand for domestically produced food and consumer goods.

Yahya, briefing the Malaysia Press in conjunction with Prime Minister Datuk Seri Dr Mahathir Mohamad's working visit, said Malaysian businessmen need to set up links, find partners and make inroads into Russia.

He pointed out that there were not many Malaysian investments in Russia.

The timber concessions, obtained by Sarawak-based Rimbunan Hijau in an open tender, is the only substantial Malaysian investment here.

Proton, the Malaysian national car, which made its debut in October last year is targeting to sell some 1,000 units in the first year.

At present, some 300 units have been sold, this is despite the Aug 17, 1998, market crash in Russia.

Meanwhile, bilateral trade has always been in Russia's favour. Total trade rose from US\$127.5 million (RM484.5 million) in 1994 to US\$476.9 million in 1997.

Among the major exports from Russia to Malaysia are steel, chemicals, fertiliser and machinery while Malaysian exports to Russia are mainly electrical and electronic products, palm oil, natural rubber and rubber products, furniture and foodstuff.

In an interview with Nanyang Siang Pau, the Russian Ambassador to Malaysia Alexey Zhukov echoed Yahya's advice for investors to take a long-term view and to seek out reliable business partners.

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