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Visit Malaysia and see for yourselves, UK traders told

Baidura Ahmad in London

MALAYSIAN regulators and businessmen today worked hand-in-hand to convince British businessmen of the investment and other business opportunities available in the country amidst the economic slowdown and recent introduction of exchange control measures.

Minister of International Trade and Industry Datuk Seri Rafidah Aziz said the Asian crisis has got a good flipside in that it resulted in reducing the business start-up cost in the country.

"You should come to Malaysia now and see for yourself. What I present is the Government's views and policies. So, why don't you make the visit to judge for yourself," she told about 100 participants that included British small and medium size industries, big corporations and bankers, at a half-day seminar on Malaysia: economic challenges and business opportunities organised by the Malaysian British Business Council and Asian Strategy & Leadership Institute here.

Urging the British not to wait until the crisis is over, Rafidah said: "Why wait until the crisis is over. No one knows when will it be over, where is the cut-off point.

"Sometimes, I find that the British tend be overcautious and wait a bit longer than others. This allows you to be beaten by others such as the Japanese and the Taiwanese in seizing the opportunities," said Rafidah, who was on a one-day flying visit to the city.

Rafidah also pointed out that the performance of the Kuala Lumpur stock Exchange should not be taken as an indicator of Malaysia's economic health.

She pointed out that in 1993, 85 per cent of manufacturing output and sales were from non-listed companies, that is those not affected by speculation in the stock market or by the so-called investor confidence in the stock market.

"The percentage may change now but even a conservative 80 per cent is still significant. These are the companies whose operations have been positively impacted by the various measures put in place by the Government since the crisis began."

Bank Negara adviser Datuk Nor Mohamed Yakcop, who earlier addressed the seminar on Malaysia's currency exchange rate control measures, said: "Doing nothing was not an option because that means letting yourself be exposed to the vagaries of outsiders."

Rafidah also took to task the major developed nations which have lately been calling for a change in the international financial architecture.

"If you know that the present architecture is riddled with termites, by all means can someone draw up the new architecture.

"The ones who can do something about, the ones with the expertise and experience, are not doing anything. They are not moving anything other than talk about the need to change the architecture. The only thing that they moved are their lips."

Rafidah said while foreign direct investments were unaffected, Malaysia find it harder to attract portfolio investors back into the country.

"People keep saying that we need to bring back investor confidence but no one has indicated to us what we should do. Sometimes, I find that people use different yardsticks than the ones that we are used to."

She said to the financial analysts that investors' confidence equals willingness to invest in the stock market regardless whether these are

merely highly speculative short term capital.

Those with the focus on the financial sector do not seem to interested in looking at other economic sectors that have real contribution to the economic growth such as the manufacturing sector.

"Of course I am not saying that Malaysia is the perfect place to invest. we tell the story as it is. Still, all told, Malaysia remains a place you can put your money in."

The co-chairman of MBBC, Sir Patrick Gillam who was the co-moderator of the seminar, said Malaysia's fundamentals remained strong, namely low foreign debt, good infrastructure, good natural resources with highly-educated population.

"None of that has disappeared following the crisis," said Sir Patrick who is also the chairman of Standard Chartered Bank plc.

Co-chairman Mirzan Mahathir, who is also the ASLI president, said although the economy and the local companies are not out of the woods yet, demand will return and companies that survive this crisis will not only be strong domestically but also internationally.

"They will make ideal trading partners when the global economy recovers," he added.

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