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France-Investment

FRANCE ENCOURAGES MORE INVESTMENT TO MALAYSIA

PUTRA JAYA, March 6 (Bernama) -- France, one of the world's major economic powerhouses, is encouraging more investment in Malaysia in view of the fast economic recovery the country is now undergoing, its Minister of State for Foreign Trade, Francois Huwart, said today.

"We are confident of your economy and are encouraging on behalf of our government for a better cooperation and more investment in Malaysia," he told reporters after a 45-minute meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad, here.

Huwart, who arrived here last night, is leading a 20-member delegation on a one-day visit.

Present at the meeting were the president of the French-Malaysian parliamentary group, Didier Boulaud, French ambassador to Malaysia Xavier Driencourt and Undersecretary (Europe and Central Asia) of the Ministry of Foreign Affairs, Datuk Dennis Ignatius.

Describing Paris-Kuala Lumpur ties as excellent, Huwart said the bilateral ties between the two countries were not merely confined to partnership or joint ventures but also extended to other areas such as technology transfer.

He said France had many world-class companies with vast experience in the areas of environment, energy and automotive and their participation in Malaysia would enhance the current cooperation.

France is the 13th biggest investor in Malaysia with foreign direct investment for 1994-1998 totalling RM510 million. With some 60 million population, France is the fourth largest trading power in the world and its investments in foreign countries reached about US\$60 billion last year.

The total Malaysia-France trade in 1997 amounted to RM6.35 billion and it dropped 34 per cent in 1998, largely due to the regional economic downturn but went up to RM8 billion last year.

There are some 170 French companies operating here and among the established French companies with investments in Malaysia are automobile company Citroen, telecommunication company Alcatel and Carrefour hypermarkets.

Describing his talks with Dr Mahathir as "fruitful", Huwart said they also discussed globalisation and the prime minister expressed his concern about the many negative consequences of the process such as employment.

"I can say that we, the French government, think we are in favour of a regulated globalisation... a more balanced one," he said.

Huwart said both countries would have more discussions on the issue at the Asia-Europe Meeting (Asem) in Seoul in October this year.

He said he also discussed with Dr Mahathir further cooperation in the area of infrastructure development between the two countries.

Asked whether Malaysia Airlines (MAS) had shown interest in new planes from Airbus Industrie, he said the matter was being discussed.

On whether Citroen might pull back its investment for technical cooperation for a new national car, he said they discussed the matter and the prime minister was aware of the problem.

In an agreement signed in 1997, Citroen agreed to a technical cooperation programme with Proton to manufacture a new national car based on the original Citroen Saxo in Europe, a sub-compact vehicle in the same range as the Tiara.

Proton and Citroen first cooperated to produce the Proton Tiara in

1996.

-- BERNAMA

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