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`KL keen to invest in west China'

Lokman Mansor in Bandar Seri Begawan

BANDAR SERI BEGAWAN, Wed: Malaysia is keen to invest in China's western region which is currently being promoted by Beijing under its "Go-West" regional development policy, Prime Minister Datuk Seri Dr Mahathir Mohamad says.

He said China is promoting investment in the Western region because it is not as developed as other parts of the country.

"They invite foreign participation, and if there is any opportunity we would like to participate also," Dr Mahathir said after a bilateral meeting with Chinese President Jiang Ze Min here today.

The two leaders are in Brunei to attend the 21-member Asia Pacific Economic Cooperation (Apec) Leaders' meeting which ends tomorrow.

The "Go-West" strategy is part of China's wide-ranging policies and measures to step up market development while taking precautions against a financial crisis and promoting sustainable economic growth.

Of US\$48.49 billion (US\$1 = RM3.80) raised through treasury bonds by the Chinese central government last year, US\$12.20 billion went to various projects throughout the country, with the middle and western regions taking 60 per cent.

There are at least three economic and technological development zones in the Gansu Province of Western China - Jinchang, Gansu Lanzhou, and Baiying. Infrastructure is being put in place to facilitate establishment of large-scale industries.

The region is rich in metals, coal and petroleum. Existing industries include machinery manufacturing, building materials plants, and operations involved in chemistry and medicine. Leases are said to be lower than elsewhere in the country, and preferential policies and services are being offered to investors.

Dr Mahathir said overall China is also focusing on food production to feed its population of 1.26 billion.

"We discussed mainly bilateral matters, but also in general about economic management, the WTO (World Trade Organisation), and currencies. (We discussed) why currencies should have a fixed exchange rate, and he agrees that we should manage (our) currency," he added.

Malaysia fixed the ringgit at RM3.80 to the US dollar following the regional financial crisis. The move immediately restored stability of the currency and provided greater predictability for businesses.

China's renminbi is also stable against the US dollar, with the exchange rate standing at 8.2793 to the US dollar. The country's exchange reserves totalled US\$154.7 billion at end-1999.

"He (Jiang) said we should continue to have good relations, and that Premier Zhu Rongji is looking forward to the meeting (Informal Asean Summit) in Singapore (next week)," Dr Mahathir added.

The Prime Minister said the meeting also touched on the international financial architecture.

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