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Look East, go West

THE Government's interest in China's "Go West" policy means plenty of opportunities awaiting the Malaysian private sector. The huge potential for bilateral economic cooperation is largely untapped. After that big business delegation led by Prime Minister Datuk Seri Dr Mahathir Mohamad in June 1993, significant progress has been achieved between the private sectors of both countries. However, the number of large projects involving the two countries is still small, partly because of the slowdown in activities during the Asian financial meltdown and partly the local companies were taking too many things for granted.

Dr Mahathir's meeting with Chinese President Jiang Ze Min in Brunei this week should be marked as a point to renew Malaysia's reverse investment zeal. The Malaysian private sector, however, must not wait to take part in another business delegation led by the Prime Minister or his deputy to make things happen. It will be as effective if Malaysian companies themselves pave the way for the country's entry into Western China. Those already with Chinese connections, for example, can help others get in touch with relevant parties in China, apart from expanding their own operations. Wherever possible Malaysian companies ought to combine their resources to make an even bigger impact, possibly in collaboration with local authorities like Matrade. There is no shortage of opportunities. Under Beijing's Go West regional development policy, there are at least three economic and technological development zones in the Gansu Province of Western China - Jinchang, Gansu Lanzhou and Baiying - which offer foreign investors various openings in economic activities. Labour is abundant and the Chinese have a good and hardworking workforce. The domestic market is huge.

These opportunities, however, are not only for Malaysians to seize. Even though Sino-Malay ties is more than 500 years old and a delegation bigger than Dr Mahathir's 1993 visit had been led by Sultan Mahmud of the Malaccan Empire in the 15th century, it is companies from the West that have established a bigger presence in the Middle Kingdom today. The Americans were busy selling their burgers and aerated drinks in Beijing even as their Government was waging a trade war with Beijing. They were slicing up the Chinese economic pie for themselves even as Washington was blocking China's entry into the World Trade Organisation. And now they are already forming a beeline to tap the opportunities under the Go West policy. Malaysian entrepreneurs will have them as competitors, so it is important that they go prepared to fight for a piece of the mooncake.

The relevant authorities in Malaysia can help by establishing the best possible rapport with their counterparts in China. Malaysian firms should be able to expect minimum red tape and whatever form of assistance the Chinese can render. Malaysian companies' track record in China is fairly good and this is a plus point that must be maintained and built upon at all times. Our entrepreneurs who decide to Go West will also benefit from the extremely good ties between the two governments. Malaysia has supported China on many occasions, including in arguing for Beijing's entry into the WTO. China, on its part, was one of the first countries to back Malaysia's East Asia Economic Caucus plan. They often found themselves on the same side with regards to many contentious issues affecting developing countries. Both believe and practise selective capital controls. There is no reason why they should not click as well in

economic and business terms.

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