

07 AUG 2001

US-AFTA

AMERICAN BUSINESSMEN HOPE M'SIA WILL LEAD AFTA IMPLEMENTATION

PUTRAJAYA, Aug 7 (Bernama) -- American businessmen have expressed hope that Malaysia would lead the implementation of the Asean Free Trade Area (AFTA) to avoid the continued flow of foreign direct investment (FDI) into China.

US-Asean Business Council president, Ernest Z.Bower, said Malaysia should be able to take the lead as it has been the key architect for the free trading area within the Asean region.

He said as trade accounted for 200 percent of Malaysia GDP, it made Malaysia as de facto leader on trade.

"We hope Malaysia will be the leader in the implementation of AFTA. We believe that unless Malaysia leads and Asean implements the AFTA, we are afraid that it will be a continuation of foreign direct investments going to China rather than coming to South-east Asia," he said in a press conference after a meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad together with other 30 council members including its chairman James P. Kelly.

The council had earlier conveyed this message in an hour meeting with Mahathir at his office here today.

Bower said that Mahathir was very supportive of the idea that Malaysia led the implementation of AFTA.

He said the council viewed Malaysia as a leader in agriculture specifically biotechnology and technology-front in information technology and communications sectors.

Apart from that, Malaysia could also emerge as a leader in corporate restructuring and financial sector.

Bower said implementing AFTA will be the key for the return of growth to the South-east Asia region.

"Implementing the AFTA agreement is a key to see growth return to South-east Asia. We U.S. companies want to be part of that," he said.

He said that China had been very competitive in attracting FDI in many sectors of economy especially manufacturing.

Bower said there was a flip in the direction of FDI growth in most sectors for South-east Asia and China. He said that in the early 90s, 70 percent of FDIs went to South-east Asia and less than 30 percent to China. However, today, 70 percent of FDIs has gone to China while less than 30 percent to this region.

On U.S.-Malaysia relationship, Bower said he believed Dr Mahathir and President George Bush would be working very hard to get both countries closer together.

He said from the point of a businessman, more businesses could be engaged when countries have better relationship.

The US-Asean Business Council's board of directors consist of 40 American companies accounting for more than 20,000 high-paying jobs for Malaysian workers.

The council's companies are leaders in training and technology cooperation in Malaysia and have made major community and educational commitments on their own accord.

The US-Asean Business Council is a non-profit, national organisation in the U.S that works to promote trade and investment between U.S and member countries of Asean.

The council concluded a two-day series of meeting with Malaysian

government and private sector leadership today after holding its annual board meeting in Kuala Lumpur.

Meanwhile, Kelly said that the council chose Malaysia for its annual meeting in the region to underscore the importance of Malaysia to the U.S. private sector.

"We are committed to take action to strengthen this relationship and expand our trade and investment ties in Malaysia and in the Asean region," he added. -- BERNAMA

LES SD