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Better ties with us

RELATIONS between the US and Malaysia, especially on trade and investment, have always stood on a strong foundation, although there have been some hiccups in their relations in recent years. The visit by a delegation from the US-Asean Business Council and its meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad will hopefully lead to closer ties.

The visit is significant as it comes in the wake of a slowdown in the US economy and its impact on Malaysia's electronics and high-tech sector, which has attracted many American companies and multi-nationals. The US is Malaysia's largest trading partner and we will naturally be concerned if the situation does not improve. Nevertheless, it is heartening that the American businessmen have expressed their continued confidence and bullish outlook for the Malaysian economy and to expand trade and investment in Malaysia and in the Asean region. Malaysia has always been convinced that despite the increased competition from other countries for foreign direct investment (FDI), it remains an attractive host. It is reassuring that the council's members have emphasised the importance of Malaysia to the US private sector and its commitment to strengthen the strong relationship between the two countries.

Among Asian countries China, with its vast market, has become a magnet for foreign investment. But over the longer term, international companies may find it prudent not to place all their eggs in one basket. Malaysia continues to have its plus points as a destination and the council's view that Malaysia should spearhead efforts to attract FDIs to Asean is a re-affirmation of this. However, we must strive to build on our strengths such as our excellent infrastructure and upgrade the skills of our work force so that high-tech companies from the US and other developed countries will continue to find it advantageous and profitable to invest in Malaysia. Where there are areas that require to be improved to attract foreign investors, then improvements should be made as expeditiously as possible.

Despite some differences between the two countries on certain issues, the similarities between the two countries should also be highlighted. Like the US, Malaysia is also a democratic nation with a Government elected by the people although some aspects of our democratic system may differ from the American system because of historical reasons. Malaysia's basic economic system is based on free enterprise which we have always firmly believed to be efficient in fostering economic growth and allocating resources and income. Despite experiencing difficulties brought about by economic slowdown and attacks on the region's currencies by international speculators in recent years, we have consistently maintained the basic free enterprise policy since achieving our independence 44 years ago.

Welcoming foreign investment has also been a consistent economic pillar of Malaysia and we have always acknowledged and appreciated the important role played by American investment, especially those by its multi-nationals, in developing the country's electronic and high-tech sector.

The welcome extended to genuine US entrepreneurs and businessmen to make direct investments in this country has remained unchanged despite the occasional strains in the ties between the two countries. American investors who are familiar with Malaysia are aware of this and hopefully the council will correct any lingering misconception among American

investors about this country.
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