

12/09/2001

Boosting trade with China via networking, cross investments

TAKING heed of the challenges arising from China's rise as an economic power, the local Chinese businessmen are mapping a network that will see cross investments as well as a surge in trade for both countries.

Responding to Prime Minister Datuk Seri Dr Mahathir Mohamad's call to network with China, The Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM) will send an 85-member delegation to the upcoming World Chinese Businessmen Conference in Nanjing, China at the end of the month, to promote Malaysian exports.

ACCCIM National Council, and Commerce Committee Economic Survey Unit member Dr Leong Kai Hin said ACCCIM will also host a similar conference in Malaysia, in 2003.

"This will play a role in bridging businesses between the two countries and in promoting Malaysian exports to China, and to other overseas Chinese," he said.

He said this to reporters after the ACCCIM Survey Report on the economic recovery of Malaysia for the first half year 2001 was presented in Kuala Lumpur, yesterday.

Noting the declining trend of foreign direct investments (FDI) in Malaysia and China's attraction in enticing FDI flows away from the Asean region, ACCCIM Commerce Committee deputy chairman, and Economic Survey Unit head Chua Tia Guan said: "The ACCCIM has been working very closely with the Sino-Malaysian Chambers of Commerce and Economy in terms of trade relations and networking with China."

Chua who delivered the Survey Report brief said: "We need to reposition ourselves. There is an obvious declining trend in new investments.

"The first half of 2001 saw RM8.4 billion new applications for investments being received by the Malaysian Industrial Development Authority (MIDA) compared to RM46.2 billion received for the whole of 2000.

"Total investments approved by MIDA for the first six months of 2001 was at RM16.4 billion compared to RM33.6 billion for the entire 2000," Chua added.

ACCCIM secretary-general Tan Sri Soong Siew Hoong said: "Malaysia should focus on e-Commerce while its labour intensive production processes should be outsourced to China which has a lower production cost.

"We should aim to produce higher value added products and form smart partnerships with China."

"Malaysia's niche in China's economy can be promoted by investing in China and inviting the mainland Chinese businessmen to invest in Malaysia."

(END)