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Bullish about Malaysia (HL)

Ramlan Said

PUTRAJAYA, Tues. - A business organisation representing several top American companies today expressed continued confidence in the country's economy while pledging their commitment to expand trade and investment ties here and in the Asean region.

"We are bullish on the Malaysian economy," declared Ernest Z. Bower, president of the US-Asean Business Council after leading a delegation of council members to a meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad.

He said the council was committed to strengthening the strong relationship between Malaysia and the US, although a slowdown in the American economy had affected growth and investment flow.

He said the council's decision to have its annual meeting here underscored the importance of Malaysia to the US private sector.

Among those present at the one-hour meeting were outgoing US Ambassador to Malaysia B. Lynn Pascoe, council chairman James P. Kelly who is also chairman and chief executive of Supervices, American Express senior vice-president Anthony Lee, Federal Express vice-president for South Pacific region Peter Yin, CH2M Hill Asia Pacific regional director Ron Advani, American International Assurance senior vice-president and general manager Mark O'Dell and Sun Microsystems vice-president and managing director Lionel Lim.

Others include Boeing Company vice-president Paul Walters, Ford Motor managing director Barbara Aronson and General Motors regional vice-president Basil N. Drossos.

The council is a non-profit, national organisation in the US that works to promote increased trade and investment between the US and Asean member countries.

Its board of directors consists of 40 American companies accounting for more than 20,000 jobs for Malaysian workers while its corporate members represent the key leaders in a variety of sectors, ranging from financial services and banking to aerospace, energy developments, information technology, pharmaceuticals and telecommunications.

In the coming months, it plans to organise several programmes in Malaysia to support the development of more customer efficient Customs procedures, e-business capabilities and the biotechnology sector.

Next month, the council is organising a US-Malaysia business dialogue in New York with Minister of International Trade and Industry Datuk Seri Rafidah Aziz.

On matters raised with Dr Mahathir, Bower said council members had a frank discussion on several issues, including trade liberalisation, developing biotechnology operations in Malaysia and corporate restructuring.

He said the council conveyed its hope to see Malaysia providing leadership and playing a greater role within Asean in the development of Afta, Apec and the WTO.

"In a market which is slowing down, trade liberalisation is the key element to the return of growth. We believe the implementation of Afta, bilateral free trade agreements and the WTO are the critical elements."

Bower said while the Prime Minister understood that American companies supported trade liberalisation, Dr Mahathir expressed hope that a more balanced approach be taken.

"However, I don't think this (difference) has put us on opposite sides of the table. The Prime Minister and the council agreed that opening and expanding new markets would be good for Malaysian and American businesses ... there will be more dialogues on the approach that need to be taken."

On foreign direct investment which are mostly going to China, Bower said the council endeavoured to see the return of more investment in Southeast Asia.

He stressed that Malaysia, as the leading trade nation in the regional grouping, should spearhead efforts to attract FDIs into Asean.

On corporate restructuring, Bower said the council conveyed its view that efficiency in the area could lead to the return of growth.

The council president was also asked on the proposed meeting between Dr Mahathir and President George W. Bush during the Apec Leaders Summit in Shanghai.

Bower said both leaders were working hard to improve bilateral ties, which received the council's 100 per cent backing.

Contrary to some perceptions, he said Malaysia and the US excellent economic, security and military cooperation although on the political front, relationship had been blurred because of diverging views on some issues.

"From the business community's view, the council wants both countries to have strong political ties as this will augur well for business and trade."

He felt wrong perceptions about Malaysia could cause damage especially in attracting new investments as businessmen might get the impression that they were not wanted and unwelcomed here.

"But this is far from the truth. For someone like me who has spent a lot of time in Malaysia and the US, I feel very much at home in both places. I think most Americans familiar with this country feel the same way."

US exports to Malaysia last year totalled US\$10.9 billion, while imports stood at US\$25.6 billion. During the first five months of 2001, two-way trade totalled US\$13.2 billion.

The US is Malaysia's top export market while US direct investment in Malaysia stood at just slightly under US\$6 billion, making the US Malaysia's number one investor.