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Germany-Visit

MAHATHIR'S VISIT TO GERMANY EMPHASISES BOOSTING TIES

KUALA LUMPUR, Sept 7 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad's forthcoming visit to Germany from Sept 18 to 20 is expected to boost the excellent bilateral relations between the two countries as well as attract German companies to invest in Malaysia, a German diplomat said today.

Deputy Head of Mission of the German embassy here Peter Rondorf said the visit was expected to emphasise attracting more German small- and medium-scale enterprises (SMEs) to invest in Malaysia.

He said the current German investment in Malaysia was quite sizeable and stood at RM6 billion with 300 German companies operating in this country, mostly in the electronics, engineering, medical and petrochemicals sectors.

In terms of investment in Malaysia, he said, the country ranked fifth last year, behind countries like the United States, Japan and Singapore, and was the third major investor among European Union (EU) member countries, after the United Kingdom and the Netherlands, which are homes to British Petroleum (BP) and Shell, respectively.

"However, most of them are re-investment of capital by big German companies and less investment by the small- and medium-scale companies," he said in a briefing at the German embassy here for Malaysian journalists who will be cover the visit.

On the reasons for the German SMEs' hesitation to invest in Malaysia, Rondorf said it could be due to competition from other countries like China which offered lower costs.

"From the German perspective, a German company will invest in the region because of two reasons -- one is market penetration and the other is cost because German labour is the most expensive in the world," he said.

Rondorf described the current trade relations as excellent and was confident that the visit would increase and strengthen the potentials of both countries.

"We're both trading nations and we both depend on liberal international economics," he said.

Rondorf said trade between the two countries had improved beyond the level of that during the 1997 economic slowdown.

"We hope to increase the trade volume, which is now in favour of your country," he said.

He said another area which the two countries could explore was cultural and student exchange.

Rondorf said it would be good if Malaysia could increase the number of its students studying in Germany, especially in science and technology, where it would take less effort to transfer technology from Germany to Malaysia through these German-trained Malaysians.

"Germany would be happy to share its expertise with local companies and entrepreneurs.

"On the other hand, we can expect more Germans to come and visit Malaysia which could stimulate cultural exchange on a people-to-people basis," he said.

He said that during the visit Dr Mahathir was scheduled to meet Chancellor Gerhard Schroeder and other German leaders.

He was also scheduled to officially open the Malaysian embassy in the German Capital, Berlin, as well as meet German businessmen in Munich and

Berlin.

Rondorf said details of the visit were being finalised and Wisma Putra was expected to announce them later.

-- BERNAMA

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