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Nation to gain economically if picked as EAEG secretariat

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MALAYSIA is expected to gain from many economic spin-offs if the country is appointed as the secretariat for the East Asia Economic Group (EAEG), economists and businessmen say.

They said the position would generate more investment interest into the country, which already has excellent infrastructure and advanced communications system.

Local businessmen, meanwhile, believe that Malaysia is in the best position to offer incentives to woo businesses and investments as its economy is still robust despite the general global slowdown which are affecting other Asian countries.

"Most important is the perception because when the country has high international profile, it will improve investors' confidence.

"When accorded the status, it will help our effort to attract foreign direct investments as well as the multinational corporations (MNCs) to locate their regional headquarters here," RAM Consultancy Sdn Bhd chief operating officer Dr Yeah Kim Leng told Business Times.

Malaysia aspires to be the EAEG secretariat after the 13 Asean leaders attending the Asean and Asean+3 Summits in Brunei last month reached a consensus on the need to form the East Asian economic grouping.

The leaders had agreed to set up the Asean+3 Secretariat which would pave the way for the formation of the EAEG. Prime Minister Datuk Seri Dr Mahathir Mohamad, after the summits in Brunei, had expressed hope that Kuala Lumpur would like to be the host of the secretariat.

After all, the Asean+3, a de facto East Asian community, was the brainchild of the Prime Minister. Singapore, meanwhile, is a host to the Asia-Pacific Economic Cooperation and the Asean Secretariat is located in Jakarta.

The proposal to establish EAEG was also made by Dr Mahathir 11 years ago.

Economists see the EAEG as an economic grouping similar to the North American Free Trade Agreement (Nafta) to the US and European Union to the European countries.

The formation of the EAEG, they said, will allow the East Asian nations to present a united voice at the international forum.

Malaysia has also achieved international recognition when it was recently chosen to house the Islamic Financial Services Organisation (IFSO).

As the host country for IFSO, Malaysia will lead in formulating and developing standards for the regulation of Islamic financial institutions (IFIs) worldwide.

Economists believe that by being the coordinating centre for the EAEG, Malaysia will benefit from the spin-offs such as improvement in domestic tourism, increased volume of business travellers and job creation.

RAM's Yeah said Malaysia will become the focus for regional meetings, conventions and events. This will in turn promote job creation and enhance the frequency of business travelling into the country.

He said there will also be many job opportunities when more MNCs set up their headquarters in the country. Corporate advisor Tan Sri Ramon Navaratnam said Malaysia is the best candidate for the EAEG secretariat.

"It reflects highly on Malaysia as it is the most outstanding example of developing country which is on its way to become a fully industrialised

state.

"It fits right and proper to chose Malaysia as with its multi-racal community, Malaysia reflects a truly Asian country," he said.

Besides attracting greater investment interest, Navaratnam said as an EAEG secretariat, Malaysia would also be able to be the regional centre of trade, educational and healthcare.

Malaysian Businessmen and Industrialists Association (Perdasama) president Datuk Mohamad Izat Emir concurred, saying that Malaysia is the best choice to be EAEG secretariat.

"We have the facility, infrastructure, fast transportation like the LRT (Light Rail Transit) and ERL (Express Rail Link), good highway and foreigners, particularly the expatriates will find it very pleasant to live in Kuala Lumpur," he noted.

He said the high standard of living, up-to-date communications system and capable workforce with good command of English will facilitate foreign businesses to operate in the country.

The existing facilities and infrastructure in the country would help promote tourism among the foreigners, he added. Moehamad Izat said Malaysia is the most stable country in the region with stable currency regime, multi-racial community living in harmony and the Government which is strongly supported by the people.

According to him, the EAEG will not only promote trade and investment among Asian countries, but also create friendly competition among member countries in offering best incentives to attract investment.

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