

30 OCT 2001  
LAOS-INVESTMENT  
VAST OPPORTUNITIES FOR MALAYSIAN INVESTORS IN LAOS

KUALA LUMPUR, Oct 30 (Bernama) -- There is a vast opportunity to be tapped by Malaysian investors in Laos especially in the areas of agriculture, transportation and infrastructure, said National Chamber of Commerce and Industry Malaysia vice president, Datuk Syed Amin AlJeffri.

He said although the domestic market of the landlocked country was small with a population of 5.218 million, it could serve as a springboard for Malaysian investors to penetrate larger adjacent markets in Russia and China.

One of the potential agriculture sectors that could be tapped is horticulture, he told reporters after the chamber's luncheon for the visiting Laos Prime Minister, Bounnhang Vorachith.

Syed Amin said horticulture is a big industry in Laos where flower produced from the country are exported to Russia and China.

Malaysian investors could explore this possibility especially in the growing of orchids, he said.

Besides horticulture, Syed Amin said through his discussion with Vorachith Laos also welcomes foreign investors to participate in some of its large scale infrastructure projects.

However, Syed Amin said: "It will be hard for Malaysian investors to bid for the projects alone, but it would better through a consortium of companies, especially for infrastructure projects."

At the moment Laos needed easy access to any nearby ports in Vietnam, and there is a chance of developing a 600km railway network between Laos and Vietnam.

"This is one of the golden opportunities for Malaysian companies, especially if they can team up with Keretapi Tanah Melayu Bhd."

Besides that, some Malaysian companies had already explored the possibility of participating in the hydro electric power project in the southern part of Laos.

Khempheng Polsena, vice chairman of Laos state planning and corporation committee said there were vast untapped hydro power sources in Laos, and it had already signed a memorandum of understanding with Thailand to export electricity starting from the year 2006.

Besides hydro power generation, she said investors were also welcomed to participate in the manufacturing of wood-based, textile and handicraft industries.

Laos was also endowed with rich mineral deposits like gold, tin, zinc, iron ore, limestone, gypsum, gemstones as well as oil and gas, of which some concession had already been awarded to foreign investors, said Polsena.

Polsena said Laos was politically and socially stable, and its corporate tax rate was only 20 percent, which was among the lowest in the region.

As at Sept 10, 2001, the largest investors in the country was Thailand, the United States, South Korea, Malaysia and China.

NCCIM' president, Datuk Seri Abdul Rahman Maidin said at the moment there were 22 Malaysian companies operating in Laos with a total capital commitment of RM10.3 million.

"These commitments were either solely or jointly carry out projects in the field of construction, plantation, hydropower, tourism, banking, timber processing, mining, trading consultancy and education," he said in his

speech at the luncheon which was read by Syed Amin.

Abdul Rahman said that despite the close tie between Malaysia and Laos the bilateral trade between both countries were small.

"In year 2000 total (bilateral) trade stood at RM7.2 million accounting for 0.001 percent of Malaysia's global trade,"

Malaysia's export to Laos amounted to RM6.6 million, which mainly comprised tobacco, automatic data processing machines, vegetable oils and textile year.

Malaysia, on the other hand, imports from Laos amounting to RM0.6 million which mainly comprised polyacetals, hydrocarbons, electrical apparatus, resistors, printed circuits, swithc board, paints and varnishes and live animals.

Vorachith said in his address at the luncheon that he shared the view with Prime Minister Datuk Seri Dr Mahathir Mohamad that both countries still had a lot of untapped potentials in the development of cooperative relations especially in the areas of economy, investment, trade and tourism.

Both prime ministers also concurred that the exchange of visit between different sectors, both public and and private of the two countries should be promoted vigorously, he added.

Vorachith said: "It also aims to narrow the development gap between old and new Asean members."

He hoped that the Malaysian businessmen would have a better understanding and greater interest to invest and trade with Laos. --

BERNAMA

MK KTC