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Better business ties following PM's Saudi visit

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DATUK Seri Dr Mahathir Mohamad's recent working visit to Saudi Arabia has paved the way for greater business collaboration between Malaysian and Saudi companies.

The formalisation of the Malaysia-Saudi Arabia Business Council during the Prime Minister's visit to the oil-rich kingdom also brought renewed interest among Saudi businessmen to invest here in a big way.

Businessmen accompanying Dr Mahathir during the trip from Oct 19-21 said the positive development may contribute to large-scale investments by the Saudis outside their traditional bases in the United States and Europe.

"The response has been very good and the prospects of them coming our way in large numbers are very bright, Insha Allah (God Willing)," said Malaysia-Saudi Arabia Business Council (MSABC) advisor Ahmad Khairuddin Ilias.

Dr Mahathir met businessmen who were members of the Saudi Arabia Council of National Chamber of Commerce and Industry (SACNCCI) in Riyadh on Oct 19 and with members of the Jeddah Chamber of Commerce and Industry (JCCI) in Jeddah the following day.

The Prime Minister also called on Saudi Arabian ruler King Fahd Abdulaziz, Crown Prince Abdullah Abdulaziz and Second Deputy Prime Minister Prince Sultan Abdulaziz during the visit.

According to Ahmad Khairuddin, who is also president of the Malaysia-Saudi Arabia Friendship Society, the Saudis had shown keen interest in financial services such as asset and bond management, manufacturing, property development, education as well as agro-based industries.

"We are drawing up a proposal to meet their needs as we understand that they had previously invested in similar ventures in other countries," he said, adding that several foreign (non-Saudi) multinational corporations had also approached the MSABC to forge strategic alliances to participate in joint ventures in Saudi Arabia. Business opportunities are plenty for both sides especially the Saudis who are reportedly looking for new investment destinations in the wake of the Sept 11 attacks in the United States last year.

It had been reported that Arab businessmen had withdrawn between US\$70 billion (RM266 billion) and US\$100 billion invested in the US following anti-Arab sentiments after the attacks in New York and Washington.

Ahmad Khairuddin said Dr Mahathir had played a big part in building the confidence of the Saudi businessmen to invest in Malaysia and also to collaborate with local companies.

During dialogues held, Dr Mahathir briefed them on the Government's Vision 2020 objective to attain developed status, the success of Malaysia's Multimedia Super Corridor project and Islamic banking as well as the newly launched gold dinar trading concept.

Ahmad Khairuddin said the Saudi businessmen were impressed with Dr Mahathir's handling of the Malaysian economy during the 1997 regional economic downturn when most countries had to be rescued by the International Monetary Fund and the World Bank.

"We have been reminded by the Prime Minister to submit monthly reports on progress made with the Saudis," he said, adding that Dr Mahathir had also explained to the Saudis that Malaysia's policy and system were expected to remain the same even after he stepped down from office next year. During the visit, members of MSABC, which is the society's

investment arm, led by council deputy president Tan Sri Mohd Khatib Abdul Hamid, who is the Prime Minister's Special Envoy for the Middle East, and Bank Negara deputy governor Ooi Seng Kuang conducted special briefings for the various Saudi business groups.

Dr Mahathir also witnessed the signing of a memorandum of understanding between MSABC president Tan Sri Tengku Ahmad Rithauddeen and SACNCCI president Sheikh Abdurrahman al-Jeraisy to promote trade ties between both countries. Besides, he also witnessed several joint-venture agreements signed between Malaysian and Saudi companies in Riyadh.

International Trade and Industry Ministry figures showed Malaysia exported mainly food and electrical goods worth RM1.3 billion to Saudi Arabia last year and imported mainly petroleum to a total of RM2.4 billion.

Dr Mahathir's visit was at the invitation of the Saudi Government during which he delivered a keynote address at a symposium on the Future Vision for the Saudi Economy, organised by the Saudi Ministry of Planning and supported by the World Bank, hours after he arrived from Islamabad, Pakistan.

Saudi Arabia was the third and final leg of the Prime Minister's weeklong visit to three countries which began on Oct 16. He had earlier visited India and Pakistan.

"The PM's thought-provoking keynote address raised eyebrows in the Saudi crowd," said a member of the Malaysian delegation at the symposium. "The standing ovation at the end of the speech showed they acknowledged Dr Mahathir's humble and frank views."

Dr Mahathir had earlier shared his Malaysian experience - on how the country which used to export rubber and tin was forced to turn to manufacturing - before telling the Saudi audience on how to take full advantage of their oil and energy resources.

He further suggested that Saudi Arabia was in a good position to become a world power to ensure Muslims and their countries were not oppressed as they were today.

His visit attracted immense interest among the Saudi business community. In one closed-door session held with a group of prominent Saudi businessmen, they even protested Dr Mahathir's decision to step down from office next year, a delegate accompanying the Prime Minister revealed. A Saudi official said they were proud of Dr Mahathir's presence because he represented the voice of Muslim countries giving sound advice in the interest of the ummah.