

11 JUN 2002
Mahathir-Luxembourg
DR MAHATHIR ARRIVES IN LUXEMBOURG TO WOO INVESTORS

By: Mohd Fisol Jaafar

LUXEMBOURG, June 11 (Bernama) -- Datuk Seri Dr Mahathir Mohamad flew in from Geneva, Switzerland tonight to begin a two-day official visit to land-locked Luxembourg, yet another European financial hub.

This visit, the first by a Malaysian Prime Minister, is arranged with the objectives of further fostering the cordial diplomatic relations between Kuala Lumpur and Luxembourg and to exchange with this small, yet influential European Union's (EU) nation views on international and regional issues, specifically on terrorism, globalisation, and the West Asia peace process.

More importantly, the visit could provide the opportunity to spur Malaysia-Luxembourg bilateral economic relations to greater heights, more so as Luxembourg is an established financial centre in Europe, hosting more 200 banks and some 1,500 investment funds.

When met here today, Malaysian Ambassador to Belgium and in-charge of Luxembourg Datuk Deva Mohd Ridxam (rpt Ridxam) said Luxembourg is the main portfolio investors among other European nations in Malaysia.

Its portfolio managers stood firm when Malaysia was weathering the 1997-1998 Asian financial crisis because they had full confidence in the Malaysian economy and its fundamentals, he said.

For Malaysia, Luxembourg is an important "friend" in Europe because of its influence in the 15-nation EU.

The country played a pivotal role in the formation of the union, which removes barriers in political, immigration and trade, except for financial services.

The prime minister is also expected to woo fund managers to take advantage of Malaysia's initiatives in the finance and banking sector by making the country their hub in Asia, including using Labuan for their offshore banking and investment operations.

Top on the Dr Mahathir's agenda would be bilateral meetings with his Luxembourg counterpart, Jean Claude Juncker at the Castle of Senningen here tomorrow afternoon, during which they are expected to exchange views on regional and contemporary international issues.

Earlier in the morning, Dr Mahathir will be given a state welcome at Clairefontaine Square, after which he will have an audience with Grand Duke Henri at the Grand Ducal Palace.

In the afternoon, the prime minister is scheduled to meet Luxembourg Parliament president Jean Spautz and members of the Committee of Foreign and European Affairs and for Defence before attending a luncheon with the business community, hosted by Minister of Economy and Transport Henri Grethen.

Dr Mahathir is expected to deliver a keynote address during a business session after that where he will also have a dialogue with Luxembourg business fraternity.

He wraps up his first day with a state banquet hosted by Prime Minister Juncker at Castle of Senningen.

The following day, he will attend a breakfast meeting with President of the Central Bank of Luxembourg, Yves Mersch. Among those expected to joint the meeting is Bank Negara Malaysia governor Tan Sri Zeti Akhtar Aziz.

Before returning home in the evening, Dr Mahathir is scheduled to visit the International Electronics and Engineering (IEE) plant, which has emerged as a global leader in sensing technologies, especially in areas of

passive safety in automotive applications.

Ambassador Deva said that Luxembourg offers numerous potentials for Malaysia, specifically in finance and banking and trade. While there is no Malaysia investment in Luxembourg, the latter has invested in Malaysia, namely in the manufacturing sector, production of electronic components and palm oil.

Cargolux, Luxembourg air cargo service provider, has six flights in and out of Kuala Lumpur and Penang six times, transporting electronic components and parts for electronic majors such as Western Digital, Intel, IBM, Minolta, Sony, Ericsson, Alcatel and Yamaha.

Bilateral trade, which in 2001 totalled Euro 11 million (Euro 1=approx RM3.60), has also been in Luxembourg favour.

In the same year, Malaysia exported goods valued at Euro 4.2 million to Luxembourg and imported products worth Euro 6.8 million.

The main Malaysian exports to Luxembourg were plastic and rubber products, textiles, machinery, electronic components, precision equipment and agricultural products while imports were metal and metal products, machinery, plastic and rubber products, precious stones, ceramic and glassware.

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