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Mahathir-business

MALAYSIA TO INTENSIFY RELATIONS WITH TRADING PARTNERS

By: Ahmad Zukiman Zain

WARSAW, March 21 (Bernama) - With signs of a global economic recovery, Malaysia could again focus on intensifying relations with its trading partners to fully realise their potentials, said Prime Minister Datuk Seri Dr Mahathir Mohamad.

He said the recent global economic uncertainties had forced the country to channel efforts to the more immediate need of minimizing the impact, thus affecting the expansion of its economic and trade relations with the partners.

Dr Mahathir, who arrived here today from Germany for a three-day official visit, was addressing a business luncheon on realising a stronger economic and trade relations between Malaysia and Poland.

"There are already signs that the global economy is on the road to recovery. So too is the Malaysian economy.

"That means we can again refocus on intensifying our relations with partners with whom the true potential have yet to be fully realized," said Dr Mahathir.

Citing the trade performance between Malaysia and Poland as an example, he said it clearly illustrated the effect of the global economic slowdown.

"The value of total trade between our two countries declined by 5.6 per cent to US\$97 million in 2001 compared with a positive growth of 38 per cent in 2000," he said.

He assured the audience, from key economic sectors of Poland, that Malaysia's interest in pursuing stronger economic and trade ties with their country had not waned.

"Poland is Malaysia's largest trading partner among the Central and Eastern European countries and we would like to sustain and strengthen that relationship," he said.

Poland is as big as Malaysia but has a bigger population of almost 39 million. In response to the precarious external environment, Dr Mahathir said Malaysia had implemented several key measures to stimulate the economy.

These include encouraging local investments, enhancing the ability of the people to increase their consumption and promoting exports to non-traditional markets, he said.

"As a result, Malaysia's economy has shown a recovery that is broad-based," said Dr Mahathir who is also Finance Minister.

The country's Gross Domestic Product (GDP) remained positive in 2001, expanding 0.4 per cent.

This was attained amidst a low inflation rate of 1.2 per cent and unemployment contained at below four per cent.

"As at Feb 15 this year, net international reserves was US\$31.2 billion, adequate to cover 5.1 times the short-term external debt or finance 5.2 months of retained imports," he said.

The country's economy was expected to strengthen this year in tandem with sustained domestic demand and the improved global economic conditions, he said.

On Malaysia-Poland trade, he said it could be enhanced in terms of the volume and the range of products.

He said Polish importers should look to Malaysia for products like computer hardware and software, telecommunications equipment, household electronics, wood and rubber-based products, fabricated steel and aluminium

products, furniture and palm oil.

Noting that 87.5 per cent of Malaysia's imports were made up of intermediate and capital goods, Dr Mahathir said there were tremendous opportunities for Polish exporters to diversify their exports to Malaysia.

"We are aware that Polish companies are strong in sectors such as machinery and equipment, electro-engineering, metal industry, chemicals, rubber and plastics material and transport equipment," he said.

He urged the private sectors of the two countries to take advantage of the several frameworks for closer economic cooperation that were already in place.

Nine bilateral agreements in areas such as trade, air services, avoidance of double taxation, investments, scientific and technological cooperation have been signed.

"While the government can lay down the framework, it is the interaction of the people between the two countries that will help us realize our objective of a closer relations, be it economic, cultural, or political," he said.

Dr Mahathir also said that Malaysia would participate in the Warsaw Tour and Travel Exhibition 2002 from Sept 27 to Sept 29 to enable the people here to find more about traveling to Malaysia.

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