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MALAYSIA-COMPETITIVE

M'SIA STILL A COMPETITIVE GATEWAY TO ASEAN FOR JAPAN

By: Minggu Simon Lhasa

FUKUOKA, March 14 (Bernama) - Malaysia still offers a competitive gateway for Japanese companies to enter the Asean market, said Minister of International Trade and Industry Datuk Seri Rafidah Aziz.

Malaysia is resource-rich, has good infrastructure, is politically stable, and is governed by comprehensive investment protection laws including intellectual property right protection, she said.

Japanese companies in Malaysia could also benefit from the prospective Asean-Japan Free Trade Area, she said in a speech at a seminar on "Business Opportunities in Malaysia" here today.

The leaders of Asean and Japan have also agreed on Comprehensive Economic Partnership signed at the Asean-Japan Leaders Summit in November last year in Cambodia, she added.

She said as at Jan 1, 2003, a total of 44,390 or 98.9 percent of products of the six original members of Asean are in the inclusion list of the Common Effective Preferential Tariff (CEPT) Scheme.

With that, the combined average tariff rate for Asean under Asean Free Trade Area has been reduced to 3.2 percent in 2003, she said, adding that Asean aimed to eliminate duties on all its products by 2010 for the six original members.

In addition, Rafidah said Malaysia and Japan were discussing the possibility of a bilateral Free Trade Agreement (FTA) within the framework of a Closer Economic Partnership Agreement following a meeting between Malaysia's Prime Minister Datuk Seri Dr Mahathir Mohamad and Japan's Prime Minister Junichiro Koizumi.

The proposed FTA will encompass liberalisation of trade in goods, services and investment; trade and investment promotion and facilitation; and cooperation measures relating to trade and investment, she added.

Commenting on the trade and investment mission to Fukuoka, Rafidah said it was a timely reassurance to the business community in the Kyushu region that Malaysia's economy was continuing to grow positively despite negative developments globally.

Japan was the second largest source of foreign direct investment for Malaysia from 1998 to 2002 with a total of 616 projects and a capital investment of US\$2.6 billion.

In 2002, Japan was also Malaysia's third largest trading partner after Asean and US, accounting for 14.2 percent of Malaysia's global trade of US\$173.1 billion. -- BERNAMA

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