

25 OCT 2003

Mahathir-Business

MALAYSIA EXPECTS BETTER GDP FOR THIS YEAR, SAYS DR MAHATHIR

By: Ahmad Zukiman Zain

PORT MORESBY, Oct 25 (Bernama) -- Malaysia's pragmatic approach to trade and investments and its proactive policy measures have enabled the country to meet the many challenges over the past years, Datuk Seri Dr Mahathir Mohamad said here Saturday.

The challenges included the Asian financial crisis, the Severe Acute Respiratory Syndrome (SARS) outbreak and the uncertainties in the geopolitical front, the prime minister said.

"Malaysia's real GDP (gross domestic product) expanded by 4.4 per cent in the second quarter of 2003 and we envisage doing much better than the 4.5 per cent estimated for the whole year," he said at the Papua New Guinea-Malaysia Business Dialogue before ending a two-day official visit -- his last before stepping down at the end of the month.

Dr Mahathir and his wife, Datin Seri Dr Siti Hasmah Mohamed Ali, arrived here Friday, accompanied by five Cabinet ministers, senior government officials and a 40-member business delegation aimed at forging closer ties with this South Pacific nation. They were earlier in Timor Leste on a similar mission.

The ministers were Datuk Seri Syed Hamid Albar (Foreign), Datuk Seri S.Samy Vellu (Works), Datuk Seri Dr Lim Keng Yaik (Primary Industries), Datuk seri Rafidah Aziz (International Trade and Industry) and Datuk Seri Najib Tun Razak (Defence).

Also in the delegation were Perak Menteri Besar Datuk Seri Tajol Rosli Ghazali, Deputy Home Minister Datuk Zainal Abidin Zin and Malaysian High Commissioner to PNG Datuk Kamilan Maksom.

Dr Mahathir said that looking at the present trade structure between the two countries, there was much potential for increased trade.

"Malaysia's total trade with PNG is small, which in 2002, amounted to only US\$38.3 million," he said. (US\$1=RM3.80)

Malaysia's exports to PNG in the same year totalled US\$32.4 million comprising mainly food processing machines, glassware, palm oil, fertilisers and engineering equipment.

Malaysia's imports from here were mainly oil seeds, wood and cocoa totaling US\$5.9 million in 2002.

Saying the PNG could be a source of supply of parts, components and raw materials for Malaysia, the prime minister urged the private sector of both countries to explore the potential.

"Malaysian and PNG private sectors should explore the potential for downstream development of the mines, petroleum, forestry and fishing industries in PNG," he said.

At present, more than 65 Malaysian companies are operating in PNG with total investments of US\$395 million.

They are involved in a wide range of activities, including palm oil refinery, banking, logging, sawmilling and related activities, mining, business consultancy and resource management, manufacturing, property development, recreation activities, agriculture and fishing.

"The governments of both countries are engaged in exploring ways to improve economic cooperation between our countries," said Dr Mahathir.

He listed several possible areas of collaboration such as biotechnology, research and development in biodiversity, information communication technology, human resource development and eco-tourism.

"Malaysia has been consistently voicing the importance for the

developing countries to collaborate and 'prosper thy neighbour"', he said.

"This is not entirely altruistic. It is enlightened self-interest.

"When neighbours are prosperous we can share their prosperity by increasing their markets and vice versa. Also we do not get a spill over of their problems," said Dr Mahathir who conveyed a similar message in Timor Leste, which is embarking on a reconstruction process after gaining independence in May last year.

The prime minister said the recent World Trade Organisation (WTO) ministerial meeting in Cancun, Mexico, had provided a powerful lesson -- the developing countries could have their voices heard if they speak in unison.

"We can make a difference," he said.

The major developed countries have for too long followed the strategy of squeezing maximum concessions from the developing countries, he said.

"In Cancun, the straw finally broke the camel's back," he said.

-- BERNAMA

AZZ KHY JK