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Malaysia and Turkey want bilateral ties in trade and tourism enhanced

KUALA LUMPUR, Sat. - Malaysia and Turkey want bilateral relations in economy, trade, and tourism to be enhanced, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi said today.

He said Malaysia had had a fruitful relationship with Turkey and wanted it to be sustained.

"We want Turkey to be the gate-way for our products to Europe," Abdullah said at a seminar for Felda settlers at the Putra World Trade Centre.

He had earlier called on Turkish Prime Minister Recep Tayyip Erdogan, who arrived here yesterday for a three-day official visit.

Erdogan, who is here at the invitation of Prime Minister Datuk Seri Dr Mahathir Mohamad, is accompanied by three Cabinet Ministers, nine Members of Parliament and 107 businessmen.

On tourism, Abdullah said Turkish Airlines would be flying twice a week to Kuala Lumpur.

Meanwhile, International Trade and Industry Minister Datuk Seri Rafidah Aziz said Malaysian firms were free to explore trade opportunities in Iraq on their own.

She said the Government could not be seen facilitating trade negotiations on behalf of the private sector as it had to wait for the outcome of the current power transition stage.

"As long as there is no objection from the big powers, they (the private sector) are free to undertake any business deal.

"But this cannot be carried out at the government level as it involves the recognition of the soon-to-be appointed Government by the United Nations," she said after opening the Malaysia-Turkey Business Forum.

Rafidah was commenting on the call by Turkish Foreign Trade Minister Kursad Tuzmen, who invited Malaysian contractors to participate in joint ventures with their Turkish counterparts to rebuild Iraq.

Tuzmen said Turkish contractors were capable of competing with the world's leading construction companies with their reliability, creativity and cost-effectiveness.

The Turkish construction sector has undertaken projects worth US\$50 billion (RM190 billion) in 55 countries, many of which are in Central Asia, the Russian Federation, Germany, Albania, Bosnia-Herzegovina, Bulgaria, Denmark, Croatia and Romania.

"It is my firm belief that Turkish contractors with their entrepreneurial spirit and flexibility will undertake significant projects in Malaysia.

"They can also consider establishing joint ventures with Malaysian companies in order to realise investment projects in third countries," Tuzmen said.

The Turkish Contractors Association and the Turkish Union of International Contractors are members of the European Construction Industry Federation and the European Union of Developers and House Builders, respectively.

Currently, there are only five Malaysian firms operating in Turkey out of a total of 6,311 foreign firms, as of end of last year. On the other hand, only four projects totalling US\$60.1 million have thus far been approved by the Malaysian Government with regard to investments from Turkey.

In 2002, Malaysia's total trade with Turkey stood at US\$269.8 million, a

drop of 34.2 per cent from 2001, with exports from Malaysia totalling US\$211.1 million.

Exports from Malaysia constitute mainly of textile yarn and fabric (27.6 per cent), palm oil (24.4 per cent), electrical and electronic products (14.7 per cent), natural rubber and related products (9.5 per cent), and iron/steel tubes and pipes (8.9 per cent).

Tuzmen said the current trade volume and narrow range of products between both countries did not reflect the full potential for bilateral trade.

"I believe that there is considerable scope for the expansion of bilateral trade in manufactured goods and articles."

Rafidah said the framework for private sector collaboration between Turkey and Malaysia could be seen in various forms, such as investment guarantee agreement, trade agreement and avoidance of double taxation agreement.