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Matrade's corporatisation a fillip to export capacity

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CANCUN, Sun: Malaysia External Trade Development Corp's (Matrade) corporatisation will enhance its capacity to further boost exports of Malaysian products and services, its chairman Datuk Ahmad Husni Mohamad Hanadzlah said.

"We won't be subjected to government bureaucracy in terms of expenditure and programmes for expansion of Malaysian products and services," he told

reporters on the sidelines of the Fifth World Trade Organisation (WTO) Ministerial Conference here yesterday.

Ahmad Husni is part of a 41-member Malaysian delegation to the conference, led by International Trade and Industry Minister Datuk Seri Rafidah Aziz. The meeting is scheduled to end today.

Prime Minister and Finance Minister Datuk Seri Dr Mahathir Mohamad, in tabling the Budget 2004, said Matrade will be corporatised to help Malaysia become a global trader by promoting the country's products directly to a wider international market.

Matrade will bring in expertise from the private sector, including expatriates in the promotion of exports. The Government will provide a launching grant of RM100 million.

"Corporatisation will enhance our capacity. To capture new markets we need to act fast and be proactive. Corporatisation will enable us to do this," Ahmad Husni said.

He said there is potential to expand Malaysian products and services in West Asia, Africa and Central Asian countries, particularly those whose economies are in the transition stage.

"The fact that Malaysia is a model to these countries is also an advantage," he added.

On future plans, Ahmad Husni said Matrade will look at more specialised trade missions that target particular regions and types of services and products. "For example, in Kazakhstan there is a need for investments in construction and construction-related products and services," he added.

Matrade was established in March 1 1993 as the external trade promotion arm of the Ministry of International Trade and Industry. Matrade functions as a focal point for Malaysian exporters and foreign importers to source for trade-related information.

By providing market research information and relevant advice, Matrade assists Malaysian exporters to better position their products and services in the highly competitive global markets.

Economists said the move is essential to create Malaysian brands and expand exports' volume and value.

The corporatisation will further improve Matrade's reputation among foreign importers.

According to Suresh Kumar, an Asia Emerging Market analyst at Standard & Poor's Institutional Market Services, the corporatisation will improve Matrade's efficiency as it will release it from some of the bureaucratic red tape.

"Quite frequently, global consumers and investors can't distinguish Association of South-East Asian Nations economies from one another. Hence, it is for Malaysia to get out there and sell herself to stay competitive," he added.

During January-May this year, Malaysia's total exports amounted to RM149.87 billion and imports RM120.17 billion. Last year, Malaysian exports grew 6 per cent to RM354.5 billion after a decline of 10 per cent in 2001.

Presently, almost 90 per cent of Malaysia's exports are goods produced by foreign companies in the country. They, however, are not producing Malaysian brands and utilising domestic sources to finance their investments.

Although foreign direct investment helps create jobs, this actually led to smaller inflow of foreign capital than perceived.