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Swedish company to set up centre in Lumut

PEKAN, Sat. - The economic potential of the Asean Free Trade Area has inspired Swedish company, Bofors Defence, to set up a regional manufacturing and distribution centre for its naval gun systems in Lumut.

Defence Minister Datuk Seri Najib Tun Razak said the company expressed its interest in the matter to Prime Minister Datuk Seri Dr Mahathir Mohamad during his visit to Stockholm earlier this week.

Najib, who also met the company's representatives, said Dr Mahathir had responded positively to the interest.

Dr Mahathir had invited Swedish companies to diversify their investments in Malaysia and use the country as a springboard to market their products to Asean countries. He issued the invitation during a luncheon with his Swedish counterpart Goran Persson on Tuesday.

"We are pleased with the company's plan," Najib said after chairing a Pekan Umno meeting.

Najib, who is also MP for Pekan, said two local companies Penang Ship Building Construction Berhad (PSBC) and Naval Dockyard Berhad (NDB) would enter into a joint venture agreement with Bofors to manufacture and distribute the 57mm guns.