

Overseas profit must be re-invested in M'sia: Miti
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Malaysian companies are encouraged to invest abroad but the profit made must be re-invested in Malaysia to ensure continuity in the country's economic growth, says International Trade and Industry Minister Mustapa Mohamed.

This was a natural phenomenon for local companies that have been successful in Malaysia and are now keen to seek new and wider markets overseas, he said.

"We don't prevent Malaysian companies from investing overseas, but we hope they will increase their investments in Malaysia when they reap profits from their foreign business ventures," he told Bernama when responding to a report by KPMG LLP that Malaysian companies are among entities from emerging economies buying corporate assets in the United States in the first half of this year.

Companies in the emerging and high-growth markets made 243 acquisitions in developed economies in the first six months of 2010, up from 194 in the year earlier, according to the KPMG study.

India was the top acquirer in emerging-to-developed (E2D) deals in the study, bagging 50 acquisitions in the first half of 2010.

India was followed by Southeast Asia (47), China (39), Malaysia (30) and Central America and the Caribbean (17) in the same period.

KPMG LLP is a global audit, tax and advisory firm providing services to US-based companies in their pursuit for outbound investment opportunities in high-growth and emerging markets.

Mustapa said Petronas, CIMB Group Holdings Bhd and Maybank are examples of local companies that have invested substantially abroad and have repatriated their profits for re-investment in Malaysia.

He said Petronas has the highest investment overseas and this strategy has transformed the national oil corporation into Malaysia's top-notch company in the international stage.

"Had Petronas not ventured out into business in foreign land, the company would have remain only a small entity today and would not be able to contribute significantly to the nation's prosperity and success," he said.

Mustapa said his ministry would pursue its mission to woo foreign investments to Malaysia through trade and investment missions to advanced countries this year.

The minister will lead a trade and investment mission to the United States from Sept 17 to 26, starting from Atlanta, Philadelphia and ending in Washington.

- Bernama

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