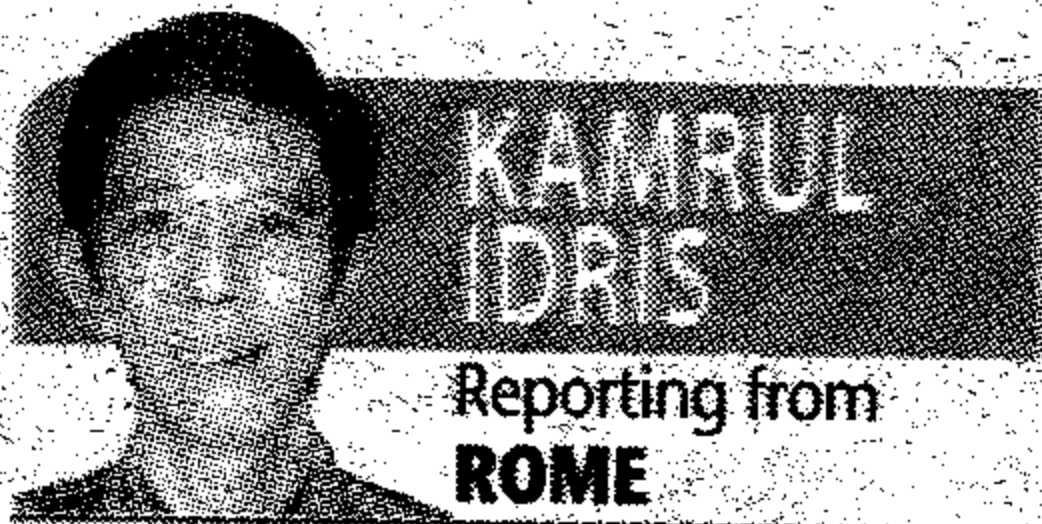


Learn from Italian family businesses, says PM

NST-27/6/2007



KAMRUL IDRIS

Reporting from
ROME

MALAYSIAN small and medium-sized enterprises could learn from Italian family businesses, and such ties would be encouraged through the creation of a joint-economic committee (JEC) between governments, the prime minister said.

As in Bosnia Herzegovina, Datuk Seri Abdullah Ahmad Badawi told a business forum here yesterday that trade and investment were hampered by "a lack of engagement between the business communities of Italy and Malaysia".

Italian SMEs in the processing and manufacturing industries dominate the economy, the world's fifth largest in dollar terms.

"Malaysian SMEs can learn from your experience. I would like to see the JEC become a mechanism for regular interaction between the private sectors, to create networking opportunities and develop mutually beneficial businesses, and to discuss issues and challenges faced in doing business with each other," Abdullah said.

The joint economic committee is being set up under a declaration signed by Malaysia and Italy on Monday, which aims to exchange information, promote and facilitate trade and investment, and undertake other measures to boost bilateral economic co-operation.

Although exports to Italy recorded double-digit growth in 2005 and 2006 and overall trade has risen consistently over the years, the value represents just six per cent of total trade with the European Union and a mere 0.6 per cent of Malaysian exports.

Italian investment in Malaysia, at under US\$200 million (RM695



Prime Minister Datuk Seri Abdullah Ahmad Badawi and other ministers paying attention to a briefing by a student, Elia Fantini, during their visit to a biotechnology research facility at ENEA, the Cassacia Research Centre in Rome on Monday. — Bernama picture

million) since 2000, is also small.

Apart from the dollars and cents of two-way business relations, Abdullah said Malaysia and Italy had an equal stake in fostering enterprise-driven economic growth and a free and fair system of trade.

"Given the openness of our economies, we must work together to ensure a fair trading environment through the World Trade Organisation and a prompt conclusion of the Doha round of talks."

The prime minister said Malaysia's commitment to multilateralism included its membership in Asean, which was moving towards eliminating all tariffs in 2010 and forging a common market by 2015.

Asean and the EU also began free trade talks last month.

Italian firms were poised to take advantage of the changes in Malaysia's economic profile, particularly in services, which now account for 59 per cent of economic output compared with 18 per cent in 1970.

"To provide certainty and encourage foreign participation in the services sector, Malaysia is taking steps, both bilaterally and multilaterally, to progressively

liberalise the sector through binding market access commitments," Abdullah said.

"Malaysia welcomes Italian collaboration, through investment and trade, in developing the services sector, particularly in the priority areas such as healthcare, tourism and information and communications technology," he said.

Abdullah met his Italian counterpart Romano Prodi on Monday and later told the press that Malaysia and Italy viewed with concern the bomb attack that killed six United Nations peacekeepers in Lebanon on Sunday.

He, however, said the two countries would not revise their troop commitments until more information was obtained.

Malaysia and Italy are among the 30 countries contributing troops to the UN Interim Force in Lebanon, whose numbers were increased to 15,000 after Israel waged war on Hizbollah last year.

So far, neither the UN nor the Lebanese authorities have confirmed who was behind the roadside bombing that killed six Spanish army personnel or if they were connected to the running battle between the Lebanese armed forces and Palestinian militants.

Prodi said it was "too soon" to decide on a troop pullout.

"Until we have better knowledge" of the incident, what it did show was "the need to improve the co-ordination of our activities and our efforts in Lebanon".

On the matter of Darfur, Abdullah said there had been no request to send troops to Sudan.

"If there is one, we are prepared to send peacekeepers from Malaysia," he said.

More likely, as expressed to him by Prodi, was a move to hand over the peacekeeping role to African countries with the ability to do so, although no objection has yet been raised on a "hybrid" force with the UN taking part.

Abdullah held out hope of a settlement in Darfur, where refugees have congregated under parlous conditions for a number of reasons, including famine, poverty and threats to their security.

The prime minister had suggested to Sudan and several leaders including those in the Organisation of Islamic Conference and the UN secretary-general, that the refugees could be persuaded to return to their villages if their safety, food, water and amenities such as education could be assured.