



GREETINGS: Abdullah meeting senior executives of Shanghai BSW Petropipe Co Ltd plant, a joint venture between Malaysia's UMW Holdings Bhd and China's CNPC Holdings, in Shanghai yesterday. — Bernama picture

Abdullah: Check background of partners

■ **From Hardev Kaur in Shanghai**
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FOREIGN investors seeking joint venture partners in Malaysia should check the background of their local partners.

Prime Minister Datuk Seri Abdullah Ahmad Badawi does not want them to be taken in by stories and demands for political contributions.

The investors could do background checks with the Ministry of International Trade and Industry, Matrade and the Prime Minister's Department.

International Trade and Industry Minister Datuk Seri Rafidah Aziz said: "We do not want to be responsible for local investors who set up businesses with foreign partners on false pretences, only to cheat them later."

Abdullah met members of the Shanghai Overseas Chamber of Commerce and Industry in the vibrant business district of Pudong.

The members from Australia, the United States and Hong Kong have businesses in China and are keen to set up operations in Malaysia.

The Government hopes that they would give information about the country and its investment potential to their counterparts and friends throughout the world.

Rafidah, who attended the session, said the Prime Minister assured the businessmen that Malaysians were generally honest but added "there could be some rotten apples and because of them Malaysia's reputation should not be tarnished".

During the half-hour meeting, Hui Wing Mau, the chamber's president, told the Prime Minister they were keen to invest in Malaysia because the Government had a good track record and the economy was stable.

They were especially interested in real estate development, manufacturing, education and the services sector.

They were also keen to know about the various incentives offered to foreign investors and whether they could bring in experts.

Partnership fills Abdullah with pride

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be reaped would not be limited to economics alone.

Bilateral co-operation would also facilitate technology transfer and more importantly, people-to-people exchanges that will strengthen bonds between the two countries.

Malaysian investments in China total US\$3.1 billion, and Chinese investments in Malaysia, US\$1.1 billion.

UMW ACE (L) Ltd, a subsidiary of UMW Holdings Bhd, has a 49 per cent stake in the joint venture — Shanghai BSW Petropipe Co — with its Chinese partner, Baoji Petroleum Steel Pipe and Tube Corp Ltd, holding 51 per cent.

The company has total assets of RM68.8 million with a registered capital of RM37.6 million. It is involved in manufacturing, coating and trading steel pipes for use in long-distance oil and gas pipelines and city gas network construction.

It has capacity for the production of 80,000 metric tonnes annually of spiral submerged welded pipes and 1.5 million sq metres of pipe coating. Plans are under way to expand the capacity to 150,000 metric tonnes.

The factory, in Shanghai, was com-

pleted in a record five months.

The agreement was signed on Sept 16, 2003, when Abdullah, then the Deputy Prime Minister, visited China. Abdullah said the partnership, having borne fruit in such a short time, "fills me with pride" for two reasons.

Firstly, it showed that Malaysian and Chinese companies could achieve the desired results when they put their heads together, and secondly, it was consistent with his desire for deepening and strengthening bilateral ties. He hoped the joint venture would open more doors for increased co-operation not only between

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Malaysia and China but also with other countries as well.

Quoting a Chinese saying that "a journey of 1,000 miles begins with a single step", Abdullah said "we have taken the first step", and added that "I look forward to travelling on this journey together".

Malaysia's Ambassador to China Datuk Abdul Majid Khan said "China's abundant and low labour costs plus its very promising market (give) Malaysian enterprises a perfect back-

drop against which to start business ventures".

This, he added, was even more compelling considering the "astounding perseverance and commitment" of the Chinese Government in transforming China into an economy to be reckoned with.

In a message in the souvenir programme to mark the opening of the plant, Abdullah said: "The way forward is to build on the already existing foundation of friendship and co-operation." Chinese Premier Wen Jiabao, in his message, said China "must co-ordinate domestic development, fully exploit domestic and foreign markets and resources, and expand development into other areas".

He assured businessmen that "we will do all our work pertaining to opening up energetically, and improve our ability to participate in international co-operation."

Abdullah, who arrived from Beijing yesterday, met members of the Shanghai Overseas Chamber of Commerce and Industry as well as the Shanghai mayor Han Zheng. The visit marks the 30th anniversary of diplomatic relations, sealed by Prime Minister Tun Abdul Razak and Chairman Mao Zedong in Beijing on May 31, 1974.

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