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Asean's Open, Pro-business Policies Lead To Steady Growth In Trade, Investments

KUALA LUMPUR, Nov 3 (Bernama) -- Open and pro-business policies adopted by Asean over the last 10 years have led to steady growth of trade and investments within and outside the region, says International Trade and Industry Ministry secretary-general Tan Sri Abdul Rahman Mamat.

He said Asean's trade performance over the last decade has been impressive, with the external trade soaring by many folds to US$1.2 trillion in 2007 from US$548.7 billion in 1997.

Intra-Asean trade grew to US$403.4 billion in 1997 vis-a-vis US$150 billion in 1997.

"In terms of investments, Asean remains a favoured destination for investments. Investment flows to the region have increased from US$18.1 billion in 2002 to US$60.5 billion in 2007," he said when opening the United Nations Economic Commission for Europe-Asean Cross-Border Facilitation workshop.

In 2007, Intra-Asean investments stood at US$8.2 billion, with Singapore as the major source of investment (US$5.7 billion), Malaysia (US$1.3 billion), Thailand (US$700 million) and Indonesia (US$200 million), he said.

Abdul Rahman said Malaysian companies had taken the bold step to venture overseas to expand their markets, tap new investment opportunities, acquire new technology and innovations, develop emerging markets and take advantage of cheaper raw materials, parts and components.

He said Malaysian companies are now facing the same challenges once faced by multinationals that relocated their operations to developing countries.

"Facilitating trade is therefore a top priority to a developing country like Malaysia as to the developed economies," he said.

Abdul Rahman said with the government's support and greater improvements in cross-border facilitations, Malaysian investments overseas have been on the upward trend since 2000.

Between 2000 and June 2008, Malaysia's cumulative investment overseas was RM528 billion, he said.

"The scope of Malaysia's investments abroad is increasingly broad-based, ranging from oil and gas manufacturing sector to the services sector that includes banking, finance and insurance, property and real estate," he said.

The top destinations for Malaysian investments are Asean countries, accounting for about half of Malaysia's total direct investments abroad, he said, adding that other major destinations include China, the United States and Hong Kong.

"Some of Malaysia's investments are also channelled through international offshore financial centres before being re-directed to its final destinations," he added.

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