

MALAYSIA

Federal and Provincial Trade Ministers Visit

As Canada's commercial links with ASEAN expand, they have received increasing attention from Canadian ministers. In February, the Malaysian Government hosted visits from three Canadian Trade and Industry Ministers, representing the Federal Government in Ottawa and the two westernmost provinces, Alberta and British Columbia.

Int'l Trade Minister Regan

The Honourable Gerald Regan, Canadian Minister for International Trade, visited Kuala Lumpur on 22 February. He held talks with Malaysian Finance Minister Tengku Razaleigh concerning the status of a major project to supply boilers for Phase II of the Port Kelang thermal power station. Minister Regan emphasized the technical and financial competitiveness of the Canadian bid by Babcock and Wilcox of Cambridge, Ontario.

Minister Regan also called on Encik Daud bin Isahak, Director General of Telecommunications, to discuss Canadian participation in subscriber radio, PABX, and Customer automated service system projects.

BC Minister Phillips

The Honourable Don M. Phillips, British Columbia Minister of Industry, visited Kuching, Penang and Kuala Lumpur from 17-20 February. The purpose of Minister Phillips' visit was to explore bilateral investment opportunities, and share experience with Malaysian managers in the forestry, petroleum, and manufacturing sectors. Both British Columbia and Malaysia are major timber and energy exporters to the Pacific region. The technology that has been developed in British Columbia to extract these new materials could help Malaysians expand their own resource-based industries.

In Kuala Lumpur, Minister Phillips met Minister of Primary Industries, Datuk Paul Leong, Chairman of the Malaysian Timber Industry Board, Tan Sri Rama Iyer and Chairman of Petronas, Tan Sri Abdullah Salleh.

As a provincial cabinet member, Minister Phillips was also keen to compare notes with his state counterparts. In Kuching, he met Sarawak Chief Minister Datuk Patinggi Taib Mahmud, and in Penang, Chief Minister Dr. Lim Cheong Eu, reciprocating the visit Dr. Lim had paid previously to British Columbia.



Alberta Minister of International Trade Horst Schmid meets Malaysian Prime Minister Datuk Seri Dr. Mahathir.

Alta Minister Schmid

The Honourable Horst Schmid, Minister of International Trade for the Province of Alberta, visited Kuala Lumpur from 26 February to 2 March. Minister Schmid was accompanied by six businessmen representing Alberta's capabilities in petroleum, communications, and general engineering.

In his meetings with the Malaysian Petroleum Industry, as well as with a number of Federal Cabinet Ministers, Minister Schmid promoted joint venture projects based on Albertan expertise that would be particularly relevant to Malaysia. These included a rice harvester/dryer, a root trainer for reforestation, core hospital design, petrochemical and drilling/processing equipment.

As a follow-up to his October 1981 visit, Minister Schmid's trade mission helped consolidate ties between Malaysian and Alberta industry. A concrete expression of these ties was the invitation extended to Malaysia to send individuals for petroleum industry training in Alberta.

Large Loan to Malaysia Syndicated by Canadian Banks

The Malaysian Government has recently signed a large Canadian Dollar loan. The eight-year loan, worth \$150 million Canadian (\$271 million Malaysian) was provided by a consortium of nine Canadian banks. This was the first time that Malaysia has borrowed from Canada and was also one of the very few occasions when an Asian borrower has tapped the regional Canadian syndicated credit market.

Datuk Sabbaruddin Chik, the Malaysian Deputy Finance Minister, said that the speed with which Malaysia was able to raise a loan in a totally new market was a clear indication of the excellent regard and confidence the Canadian financial community placed on the country's high crediting. He also said that the terms of the loan are the finest terms ever by any international borrower in the Canadian market.

Canadian Financing for Sabah Pulp and Paper Project

The Honourable Gerald Regan, Minister for International Trade, has announced a US\$143.7 million financing agreement to support the sale of Canadian goods and services for the South Sabah Pulp and Paper project in Malaysia. The announcement was made on the occasion of the official visit to Canada of the Malaysian Prime Minister, Dr. Mahathir bin Mohamad and his delegation of officials and businessmen.

The project, totalling US\$324.5 million, will be built by a consortium led by Klockner-Stadler Hurter Ltd. (KSH) of Montreal Klockner Industrie Anlagen GmbH of Germany, and Voest-Alpine AG (VOEST) of Austria are the other members.

The Export Development Corporation (EDC) loan supports the Canadian portion of the contract. The German and Austrian portions are receiving similar support from the export credit agencies of Germany and Austria.

The sale is expected to generate about 4,000 person-years of employment at Klockner-Stadler Hurter Ltd. and its sub-suppliers.

The buyer is Sabah Forest Industries Sdn. Berhad, Kota Kinabalu, Sabah.

Mr. Regan said "My visit to Malaysia in May, 1983 leading a trade mission of some 40 Canadian businessmen was a follow-up to Prime Minister Trudeau's earlier ASEAN tour. I am pleased that our combined efforts have contributed to the successful conclusion of negotiations for this very important project."

In the last few years there has been a notable strengthening of the bilateral relationships between Malaysia and Canada, including a mutual interest in commercial opportunities. This significant project should serve to focus additional Canadian interest on Malaysia and to encourage Canadian companies to look towards Malaysia regarding new investment and commercial opportunities.

The project, situated near Sipitang on the island of Borneo, will involve the construction and commissioning of a pulp and paper mill and associated facilities.

Mr. Gerry van de Weert, President of KSH said "This award is very satisfying in that, under intense pressure from international competition, the work and effort put in by our consortium, by EDC and officials of External Affairs has proved successful. This contract will provide a major boost to the Canadian engineering and pulp and paper equipment manufacturing industries, as well as help open the door for future Canadian exports to Malaysia."