

Mustapa Wants Closer Ties

INTERNATIONAL Trade and Industry Minister Datuk Seri Mustapa Mohamed, who is leading a delegation to Surabaya, Indonesia, wants closer collaboration between Malaysian and Indonesian SMEs.

In a statement yesterday, Mustapa said he has ordered SME Corp Malaysia to follow up issues pertaining to the collaboration, such as holding joint expositions together in both countries as well as explore future business opportunities.

"Small- and medium-sized enterprises (SMEs) of both countries have shown great interest in boosting business activities that include Indonesia's 50,000 strong Himpunan Pengusaha Muda Indonesia, which has invited our SMEs to participate their expo in Jakarta from June 6 to June 9," said Mustapa, who ended his two-day visit yesterday.

During his visit, he said, business matching was carried out between Malaysian SMEs and their Indonesian counterpart under the Kamar Dagang dan Industri and Himpunan Pengusaha Muda Indonesia, covering sectors such as beverages, steel fabrication, sea products and automotive components.

A total of 70 SME entrepreneurs took part in the trade mission and Himpunan Pengusaha Muda Indonesia has promised to bring Malaysian SMEs to Jakarta two months from now.

"Surabaya is very successful in developing its SMEs and we should emulate them," Mustapa said.

The delegation comprises 26 local entrepreneurs under the SME Corp and the Halal Development Corp as well as those from sectors, such as food and beverages, logistics, cosmetics, pharmaceutical, construction and automotives.

Prior to this, he had made working visits to Jogjakarta, Balikpapan, Manado and Bali, besides Jakarta.

In a statement, the ministry said it is important to focus on regions beyond Jakarta as they are fast growing economically.

East Java is one of the fastest growing regions in Indonesia, with a population of nearly three million people.

In 2010, Surabaya recorded 176.44 trillion rupiah (RM59.47 billion) in gross domestic product (GDP) for a growth of 7.3 per cent, compared with Indonesia's 6.5 per cent GDP expansion that year.

Surabaya, a gateway to East Java, is one of the busiest ports in the country.

Indonesia was Malaysia's third largest trading partner in Asean last year, with a 4.7 per cent contribution to Malaysia's trade.

This was a 17.6 per cent growth from RM47.5 billion in 2010 to RM55.9 billion in 2011.

Malaysia's exports to Indonesia rose 15.1 per cent from RM18.1 billion in 2010 to RM20.8 billion last year.

Malaysia's main exports are chemicals and related products, electrical and electronic goods, machinery and equipment, refined petroleum products and processed food.

In terms of imports, Indonesia saw a 19.4 per cent increase to RM35.1 billion in 2011, from RM29.4 billion previously.

Malaysia's main imports from Indonesia are palm oil, steel products, chemicals and related products, refined petroleum products and electrical and electronic items.

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