

MAHATHIR-CHINA 金'金'金'

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KUALA LUMPUR, MARCH 14 (BERNAMA)-DATUK SERI DR. MAHATHIR MOHAMAD SUGGESTED TONIGHT THAT CHINA CHANGE HER PRACTICE OF GRANTING AGENCY RIGHTS TO MIDDLEMEN IN THIRD COUNTRIES FOR THE IMPORT OF HER GOODS INTO MALAYSIA.

THE DEPUTY PRIME MINISTER SAID THE REPUBLIC'S IMPORT AND EXPORT STATE TRADING CORPORATIONS SHOULD INSTEAD GIVE THESE RIGHTS TO PERNAS OR MALAYSIAN IMPORTERS.

IT MUST BE ENSURED THAT MALAYSIAN IMPORTERS WHO HELD THE AGENCY RIGHTS WERE GIVEN ADEQUATE SUPPLY OF PRODUCTS SO THAT THEY WOULD NOT HAVE TO DEPEND ON MIDDLEMEN IN THIRD COUNTRIES.

DATUK SRI DR. MAHATHIR, WHO IS ALSO THE TRADE AND INDUSTRY MINISTER, WAS SPEAKING AT A DINNER IN HONOUR OF THE VISITING CHINESE FOREIGN TRADE MINISTER ENCIK LI CHIANG, HERE.

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HE ALSO SUGGESTED THAT TO CLOSE THE TRADE GAP BETWEEN THE TWO COUNTRIES DIRECT TRANSACTIONS FOR ALL GOODS SHOULD BE CONDUCTED AS SOON AS POSSIBLE INSTEAD OF LEAVING THEM TO THE NORMAL EXPORT "FORMALITIES".

DATUK SERI DR. MAHATHIR POINTED OUT THAT ALTHOUGH DIRECT IMPORTS FROM CHINA NOW ACCOUNTED FOR A LARGER PORTION OF MALAYSIA'S IMPORTS FROM CHINA, INDIRECT IMPORTS THROUGH THIRD COUNTRIES REMAINED FAIRLY SUBSTANTIAL IN TERMS OF VALUE.

FOR EXAMPLE, THE IMPORT OF CHINA GOODS THROUGH THIRD COUNTRIES IN 1978 AMOUNTED TO \$46.98 MILLION COMPARED TO ONLY \$17.13 MILLION IN 1973.

THIS VAST INCREASE WAS DUE TO THE EXISTING PRACTICE OF THE CHINA IMPORT AND EXPORT STATE TRADING CORPORATIONS WHOSE AGENCY RIGHTS OVER CERTAIN PRODUCTS WERE ENTRUSTED TO THEIR TRADITIONAL TRADERS IN HONG KONG AND SINGAPORE.

THIS, FOR CERTAIN GOODS, MALAYSIAN IMPORTERS WERE INDIRECTLY FORCED TO IMPORT THROUGH MIDDLEMEN IN THIRD COUNTRIES.

---BERNAMA MORE

HM 2321

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DATUK SERI DR. MAHATHIR SAID PERNAS, WHICH HAD BEEN RECOGNISED AS A COUNTERPART BY THE CHINA COUNCIL FOR THE PROMOTION OF INTERNATIONAL TRADE TO ENHANCE DIRECT TRADE BETWEEN CHINA AND MALAYSIA, WAS ALSO NOT ABLE TO OBTAIN THOSE AGENCY RIGHTS THAT HAD BEEN ENTRUSTED TO MIDDLEMEN IN THIRD COUNTRIES.

"THIS POLICY HAS NOT STIMULATED TRADE BETWEEN OUR COUNTRIES," HE STRESSED.

HE SAID MIDDLEMEN IN THIRD COUNTRIES OFTEN MANIPULATED THE PRICES OF CHINA GOODS TO THE DETRIMENT OF MALAYSIAN CONSUMERS.

"FOR EXAMPLE WHEN MALAYSIA RECENTLY REDUCED THE IMPORT DUTY ON FRESH FRUITS, THESE MIDDLEMEN INCREASED THEIR PRICES."

DATUK SERI DR. MAHATHIR POINTED OUT THAT IMPORTS FROM CHINA HAD JUMPED FROM \$228.51 MILLION IN 1970 TO \$341.3 MILLION IN 1976 AND TO AN ESTIMATED \$500 MILLION LAST YEAR, REFLECTING A "MAMMOTH" MALAYSIAN DEFICIT.

---BERNAMA MORE HM 2326

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HE ATTRIBUTED THIS IMBALANCE TO THE FACT THAT IMPORT OF CHINA-MADE GOODS INTO MALAYSIA HAD SO FAR BEEN HEAVILY WEIGHED AGAINST A FEW OF MALAYSIA'S PRIMARY COMMODITY EXPORTS TO THE REPUBLIC, PRIMARILY NATURAL RUBBER AND SMALL QUANTITIES OF TIMBER.

EARLIER, DATUK SERI DR. MAHATHIR EXPRESSED CONFIDENCE THAT THE STEADY GROWTH OF TRADE BETWEEN THE TWO COUNTRIES WOULD CONTINUE IN THE FUTURE.

THE CHINA/MALAYSIA TOTAL TRADE IN 1976 AMOUNTED TO SLIGHTLY OVER \$450 MILLION AND IT INCREASED TO ABOUT \$640 MILLION IN THE FOLLOWING YEAR.

"PRELIMINARY FIGURES FOR LAST YEAR INDICATE THAT TRADE IS LIKELY TO BE SIGNIFICANTLY HIGHER THAN IN 1977 SINCE IT HAS REACHED ALMOST \$500 MILLION DURING THE FIRST NINE MONTHS," HE SAID.

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DATUK SERI DR. MAHATHIR SAID CHINA HAD ALWAYS ENJOYED A FAVOURABLE BALANCE OF TRADE WITH MALAYSIA WHICH SUFFERED A TRADE DEFICIT AMOUNTING TO \$227 MILLION IN 1976.

"IN THIS CONTEXT, I SHOULD STRESS THAT IT IS OUR SINCERE DESIRE TO SEE THE TWO-WAY TRADE BE FURTHER EXPANDED TO THE MUTUAL BENEFIT OF OUR TWO COUNTRIES," HE ADDED.

HE POINTED OUT THAT MALAYSIA'S EXPORTS TO CHINA BASICALLY COMPRISED PRIMARY COMMODITIES-NATURAL RUBBER, PALM OIL AND RUBBER.

IN CONTRAST, A LARGE MAJORITY OF THE EXPORTS FROM CHINA CONSISTED OF PROCESSED AND MANUFACTURED GOODS.

"IN THIS CIRCUMSTANCES, WE ARE OBVIOUSLY INTERESTED IN SEEING NOT ONLY THE COUNTINUED STEADY GROWTH IN OUR OVERALL TRADE BUT ALSO A RELATIVE IMPROVEMENT IN MALAYSIA'S EXPORT PERFORMANCE BOTH QUALITATIVELY AND QUANTITATIVELY," HE STRESSED.

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DATUK SERI DR. MAHATHIR ALSO EXPRESSED MALAYSIA'S KEENESS TO PARTICIPATE IN CHINA'S PROGRAMMES TO MODERNISE HER ECONOMY.

HE SAID THAT GIVEN THE RAPID INDUSTRIAL DEVELOPMENT IN THE COUNTRY, MALYSIAN INDUSTRIES WERE WELL-PLACED TO MEET SOME OF CHINA'S IMPORT REQUIREMENTS.

REPLYING, ENCIK LI CHIANG SAID THAT FRIENDSHIP BETWEEN MALAYSIA AND CHINA HAD DEVELOPED CONSTANTLY SINCE THE ESTABLISHMENT OF DIPLOMATIC RELATIONS IN 1974.

TRADE RELATIONS BETWEEN THE TWO COUNTRIES HAD ALSO DEVELOPED SUBSTANTIALLY DURING RECENT YEARS.

PRESENT AT THE DINNER WERE THE MINISTER OF FOREIGN AFFAIRS, TENGKU AHMAD RITHAUDEEN, MINISTER OF PUBLIC ENTERPRISES, ENCIK ABDUL MANAN OTHMAN, DEPUTY TRADE AND INDUSTRY MINISTER DATUK LEW SIP HON AND THE CHINESE AMBASSADOR HERE, ENCIK YEH CHENG CHANG.

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