

KOREA (EX)

112

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PYONGYANG, 12 JUNE (BERNAMA) -- A JOINT VENTURE BETWEEN NORTH KOREAN TRADING BODIES AND A MALAYSIAN PRIVATE COMPANY IS IN THE OFFING.

IT WILL HELP PROMOTE NORTH KOREAN HEAVY AND LIGHT MACHINERY AS WELL AS CONSUMER ITEMS THROUGH PERMANENT DISPLAY, SALES, AFTER SALES AND SERVICE FACILITIES AT A NORTH KOREAN TRADE CENTRE TO BE SET UP IN KUALA LUMPUR.

THE IDEA WAS MOOTED BY DEPUTY PRIME MINISTER DATUK SERI DR. MAHATHIR MOHAMAD DURING HIS FIVE-DAY OFFICIAL VISIT HERE AT THE HEAD OF A MALAYSIAN ECONOMIC MISSION TO SIGN THE MALAYSIAN-NORTH KOREAN TRADE AGREEMENT.

NORTH KOREAN VICE PREMIER, ENCIK KONG JIN TAE, WAS VERY RECEPTIVE TO THE PROPOSAL AND SAID HIS COUNTRY'S EMBASSY IN KUALA LUMPUR WOULD BE ASKED TO LOOK INTO THE DETAILS IMMEDIATELY.

DATUK SERI DR. MAHATHIR FELT THAT FOR NORTH KOREAN GOODS TO MAKE INROADS INTO THE MALAYSIAN MARKET, ADVERTISING AND PROMOTIONAL EFFORTS WERE NECESSARY AND THIS WOULD BEST BE DONE BY THE PRIVATE SECTOR.

HE ALSO SAID THAT ONLY ONE PRIVATE COMPANY WOULD BE SELECTED TO DEAL WITH THE NORTH KOREA BECAUSE IF MORE THAN ONE COMPANY WAS INVOLVED, THERE WOULD BE COMPETITION AMONG THEMSELVES AND THIS WOULD HAMPER THE TRADING EFFORTS, THUS DEFEATING THE WHOLE PURPOSE OF THE JOINT VENTURE. --BERNAMA MORE 1258/TY

KOREA 2 PYONGYANG

HE HAS IN MIND NORTH KOREAN GOODS SUCH AS HUGE SITE CLEARING AND ROAD BUILDING MACHINES, SMALL MOTORIZED FARM IMPLEMENTS, CERAMICS, HANDICRAFT, WALLPAPER, CHANDELIERS AND CANNED FOOD.

PERNAS, AS THE GOVERNMENT TRADING ORGANISATION, WOULD DEAL DIRECTLY AND EXCLUSIVELY REGARDING PRIMARY ITEMS SUCH AS STEEL PLATES AND INGOTS AS WELL AS NON-FERROUS METALS.

A MALAYSIAN ENTREPRENEUR WHO WAS IN DATUK SERI DR. MAHATHIR'S DELEGATION, DATUK H.M. SHAH, SAID HE SAW A LOT OF PROSPECTS FOR THE MALAYSIAN PRIVATE SECTOR TO TRADE WITH THE NORTH KOREANS.

FOLLOWING DISCUSSIONS WITH TRADE OFFICIALS HERE, HE FELT THAT NORTH KOREAN CONSUMER GOODS IN PARTICULAR WERE MARKETABLE IN MALAYSIA.

THE TRADE AGREEMENT, SIGNED BY DATUK SERI DR. MAHATHIR AND ENCIK KONG, WILL PAVE THE WAY FOR A CONSIDERABLE INCREASE IN DIRECT TRADE BETWEEN THE TWO COUNTRIES, AND THE DOUBLING IN TRADE IS EXPECTED WITHIN FIVE YEARS.

UNDER THE PACT, NORTH KOREA HAS LISTED 49 ITEMS FOR EXPORT TO MALAYSIA. INCLUDED ARE ALL TYPES OF MACHINERY, STEEL, TEXTILES, FERTILIZERS, CEMENT, CEREALS AND RAW SILK.

IN TURN MALAYSIA HAS OFFERED 48 ITEMS INCLUDING RUBBER-AND TIMBER-BASED PRODUCTS, MARINE PRODUCE, BEVERAGES, FURNITURE, PEWTERWARE, ELECTRICAL EQUIPMENT, AND HANDICRAFT IN ADDITION TO ITS PRIMARY COMMODITIES OF RUBBER, TIN, TIMBER AND PALM OIL.

--BERNAMA MORE 1303/BY

NO20: (1)
KOREA - PYONGYANG

THE AGREEMENT ACCORDS +MOST FAVOURED NATION+ STATUS TO EACH OTHER AND WOULD FACILITATE, AMONG OTHERS, THEIR PARTICIPATION IN TRADE FAIRS, BESIDES HELPING TO EASE CUSTOMS PROCEDURES AND CLEARANCE.

MALAYSIA'S TRADE WITH NORTH KOREA HAS SO FAR BEEN NEGLIGIBLE, TOTALLING \$6.3 MILLION LAST YEAR, 0.019 PER CENT OF MALAYSIA'S TOTAL WORLD TRADE. THE TRADE BALANCE WAS IN NORTH KOREA'S FAVOUR BY \$1.9 MILLION.

DATUK SERI DR. MAHATHIR ENDED HIS STAY HERE ON SUNDAY IMPRESSED WITH NORTH KOREA'S PROGRESS IN INDUSTRIALISATION AND ITS INNOVATIONS IN MEETING ITS GOAL OF SELF-RELIANCE.

THE NORTH KOREAN'S PRODUCE ALMOST EVERYTHING THEY NEED, FROM LARGE ELECTRIC LOCOMOTIVES TO WATCHES AND SWEETS.

THE DEPUTY PRIME MINISTER SAID THAT ALTHOUGH THEIR MACHINERY DID NOT APPEAR TO BE MODERN, +WHAT'S IMPORTANT TO THEM IS THAT IT IS THEIR OWN, AND THEY USE IT.+ -- BERNAMA 1306/A1