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MAHATHIR-TALKS **RRR**
FROM ABDUL RAHMAN SULAIMAN

BELGRADE9 SEPT 4 (BERNAMA) -- MALAYSIA AND YUGOSLAVIA HAVE
AGREED TO ESTABLISH AN INTER-LINK BETWEEN THEM TO BOOST MUTUAL TRADE
FOR A LONG-TERM BENEFIT OF THE TWO COUNTRIES.

THE AGREEMENT WAS REACHED DURING TALKS HELD HERE BETWEEN PRIME
MINISTER DATUK SERI DR MAHATHIR MOHAMAD AND HIS YUGOSLAV
COUNTERPART1 ANTE MARCOVIC.

DATUK SERI DR MAHATHIR WHO IS HERE ATTENDING THE NINTH SUMMIT
CONFERENCE OF THE NON-ALIGNED **MOVEMENT**, IS SCHEDULED TO DELIVER HIS
KEY NOTE ADDRESS THIS AFTERNOON AS THE THIRD SPEAKER FOR THE OPENING
DAY.

FOREIGN MINISTRY DEPUTY SECRETARY-GENERAL DATUK ABDUL MAJID
MOHAMED TOLD MALAYSIAN JOURNALISTS HERE TODAY THAT UNDER THE
PROPOSED INTER-LINK CONCEPT, MALAYSIAN MANUFACTURERS WOULD BE
ENCOURAGED TO USE YUGOSLAVIA AS THEIR BASE TO ENTER INTO NOT ONLY
THE YUGOSLAV MARKET BUT ALSO THAT OF THE SOUTHERN AND EASTERN
EUROPE.

LIKEWISE, YUGOSLAV BUSINESSMEN WERE EXPECTED TO USE MALAYSIA AS
THEIR MANUFACTURING BASE TO ENTER INTO THE **ASEAN, JAPAN, SOUTH KOREA**
AND THE WEST COAST MARKETS OF THE UNITED STATES. -- MORE
1745MST 04 09 89

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MAHATHIR-TALKS 2 BELGRADE **RRR**.

DATUK ABDUL MAJID SAID BOTH SIDES WERE HOPEFUL THAT THEY WOULD
COME TO SOME DEFINITE TERMS IN RESPECT OF THE PROPOSAL.

DESCRIBING THE TALKS AS USEFUL, HE SAID BOTH SIDES AGREED THAT
THE CURRENT RELATIONS BETWEEN THE TWO COUNTRIES WAS EXCELLENT.

+BOTH LEADERS ALSO REALISED THAT IN TERMS OF ECONOMIC RELATIONS,
THEY SHOULD PUT MORE CONTENTS TO IT,+ HE SAID.

AS A FIRST STEP TOWARDS **THIS**, THE TWO COUNTRIES AGREED TO EXPAND
THE COMPOSITION OF THE EXISTING MALAYSIA-YUGOSLAVIA JOINT COMMISSION
TO INCLUDE PRIVATE SECTOR REPRESENTATIVES FROM BOTH COUNTRIES.

DATUK HAJID SAID DURING THE **TALKS**, THE YUGOSLAV PRIME MINISTER
ALSO BRIEFED DATUK SERI DR MAHATHIR ON THE FORMER'S ATTEMPT TO BOOST
HIS COUNTRY'S ECONOMY. -- MORE
1819MST 04 09 89

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U E900 AAE

MAHATHIR-TALKS 3 BELGRADE **RRR**

YUGOSLAVIA, DATUK MAJID SAID, HAD LAUNCHED A NEW ECONOMIC POLICY
WHICH, AMONG OTHER THINGS, CALLED FOR MORE LIBERALISATION OF TRADE
AND FOREIGN EXCHANGE CONTROL.

UP TO THIS END, THE MALAYSIAN **PRIMEMINISTER** WAS TOLD THAT THE
POLICY WAS ALREADY BEGINNING TO SHOW RESULTS.

WITHIN THE LAST SIX **MONTHS**, THE COUNTRY HAD MANAGED TO INCREASE
ITS EXPORT BY 12 PERCENT WHILE **ITS** FOREIGN EXCHANGE RESERVE SWELLED
TO **US\$2.3** BILLION.

IN **ADDITION**, IT HAD ALSO MANAGED TO PAY ABOUT US32.3 BILLION OF
ITS **FOREIGN** DEBT OVER THE SAME PERIOD.

DATUK ABDUL MAJID WAS CONFIDENT THAT WITH THIS KIND OF
DEVELOPMENT TAKING PLACE IN THIS SOCIALIST STATE, THE PROSPECTS FOR
THE EXPANSION OF TRADE BETWEEN MALAYSIA AND YUGOSLAVIA IN THE NEAR
FUTURE WAS BRIGHT. -- MORE
1820MST 04 09 89

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MAHATHIR-TALKS 4 BELGRADE ***

IT ALSO AUGURED WELL FOR FUTURE JOINT VENTURES.

DATUK ABDUL MAJID SAID ENCIK MARCOVIC ALSO EXPRESSED HIS COUNTRY'S INTEREST IN PARTICIPATING IN PUBLIC SECTOR PROJECTS IN MALAYSIA.

DATUK SERI DR MAHATHIR WELCOMED THIS AND TOLD HIS YUGOSLAV COUNTERPART THAT YUGOSLAV BUSINESSMEN WOULD HAVE TO COMPETE FOR SUCH PROJECTS FOR WHICH INTERNATIONAL TENDERS WOULD HAVE TO BE CALLED.

IN ADDITION, THE MALAYSIAN PRIME MINISTER ALSO INVITED YUGOSLAVIA TO CONSIDER MANUFACTURING CAR COMPONENTS IN MALAYSIA ON A JOINT-VENTURE BASIS.

YUGOSLAVIA IS KNOWN TO BE GOOD IN THIS AREA AS IT IS NOW ALSO MANUFACTURING COMPONENTS OF CERTAIN GERMAN BRANDS OF CARS.

DURING THE 90-MINUTE TALKS, DATUK SERI DR MAHATHIR EXTENDED AN INVITATION TO ENCIK MARCOVIC TO VISIT MALAYSIA. -- BERNAMA
1828MST 04 09 89