

Dr Mahathir offers Vietnam Malaysia's help in various fields

KUALA LUMPUR, Mon. — Malaysia has offered to help develop Vietnam, particularly in its petroleum, mining, plantation and forestry fields.

Prime Minister Datuk Seri Dr Mahathir Mohamad said today Malaysia was also prepared to invest in financial services in Vietnam.

He said Malaysia would also revive its special scheme to develop Vietnam's rubber industry which stopped after the Cambodian war broke out.

Dr Mahathir said an improved economy would not only contribute to a prosperous Vietnam but would also benefit the whole of South-East Asia.

He was opening a two-day World Bank's Development Strategy Sympo-

sium. Participants from Malaysia, Indonesia, South Korea and Vietnam are attending the symposium.

Dr Mahathir said Malaysia was pleased to note that the *doi moi* (process of renovation) in Vietnam, which began in 1986, has been successful.

"The trend towards increasing economic liberalisation of Vietnam is particularly significant to us as we are all close neighbours," he added.

He said although Malaysia had diplomatic relations with Vietnam, economic and trade relations between the two countries were small.

Malaysia's annual trade with Vietnam amounted to about US\$50 million, a figure that compared un-

favourably with those of trade with other Asean countries, he said.

"Much of this is due to poor contact and the political differences of the recent past," he added.

However, Dr Mahathir said better trading contacts and more visits by Vietnamese officials to Malaysia of late had reduced misunderstandings and increased trade and investment between the two countries.

The Prime Minister also reiterated Malaysia's proposal for an East Asian Economic Grouping to promote trade and counter protectionism by the European and American blocs.

"The detrimental effects of such a trend on our economy can be mini-

mised if countries such as those in East Asia can speak with one voice on issues of common concern," he said.

Dr Mahathir said even if the proposed grouping failed to prevent protectionism by the European and American blocs, "at least over time it will create a self-generating engine of growth."

Speaking to newsmen later, Dr Mahathir said Malaysia was interested in meeting every nation in East Asia on the proposed grouping and not just Vietnam.

He said Brunei had responded positively to the proposal during discussions with International Trade and Industry Minister Datuk Seri Rafidah Aziz.