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Mahathir-Relations

From Abdul Rahman Sulaiman

Dr. M - overseas trips .

SANTIAGO, June 22 (Bernama) -- Malaysia and Chile have agreed to further enhance their relations to boost trade not only between the two countries but also between the Southeast and East Asian region and the Latin American countries.

This understanding follows a series of discussions between Malaysian leaders, officials and businessmen and their Chilean counterparts here for the past two days.

Prime Minister Datuk Seri Dr Mahathir Mohamad told a press conference here today that he was happy with the Chilean response towards Malaysia's intention to promote free trade among the developing countries within the framework of the South-South cooperation.

Describing the Chileans as +very responsive+, the Prime Minister said they not only talked about it but also got on with it.

This, he said, was evident by the conclusion of various agreements signed between the two sides so far to facilitate trade and promote better interaction among businessmen of the two countries.

Five such agreements had so far been signed. They are the economic, scientific and technical cooperation agreement, a trade agreement, reciprocal credit and payment agreement, the Memorandum of Understanding for the establishment of Malaysia-Chile Business Council and a joint-venture agreement for the setting up of a plant to manufacture safety industrial shoes in Malaysia.

The first four agreements involved the government agencies of the two countries while the other is between the Malaysian and Chilean businessmen.
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The trade agreement among other things requires both countries as members of GATT, to grant each other the most-favoured nation treatment relating to customs duties and charges of any kind, rules, formalities and charges connected with customs clearance and all internal taxes or other international charges of any kind imposed on or in connection with imported or export products .

The agreement on economic, scientific and technical cooperation, on the other hand, provides for the identification of economic, scientific and technical cooperation programme and projects involving the participation of public and private sector organisations of both countries.

Under the reciprocal credit and payment agreement, signed between Bank Negara Malaysia and the Banco De Chile, businessmen from both countries will no longer face problems pertaining to payments and credits for goods they purchase from each other as both central banks undertake to guarantee them.

The Prime Minister, now on the third day of his five-day official visit to Chile, said in view of the responsive attitude of the Chileans, Malaysia was considering the establishment, of its resident mission here. At the moment, Chile has a diplomatic mission in Kuala Lumpur while Malaysia's interest in Chile is taken care by its mission in Argentina. -- More

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Over the past two days, the Prime Minister had had formal and informal discussions with Chilean President Patricio Aylwin and addressed businessmen and key decision makers, here.

At every occasion, he emphasised Malaysia's desire to promote greater contact and better trade relations among the countries of the South for their common benefits.

Malaysia was also desirous of using Chile as the stepping stone to enter the Latin American market and offering itself as a staging point for the entry of South American exports to countries in Southeast and East Asia.

Meanwhile, ministers accompanying the Prime Minister also had similar talks with their Chilean counterparts.

Foreign Minister Datuk Abdullah Ahmad Badawi who met his Chilean counterpart, Enriyue Silva Cimma, said Malaysia agreed to provide every possible assistance to Chile in combating drug trafficking in Chile.

He said although Chile was not a drug producing country, drug trafficking was now a growing problem as it shares its border with Bolivia and Peru.

Datuk Abdullah said Malaysia had also agreed to support Chile's attempt to resume its participation in the Non-Aligned Movement which it abandoned since 1973 following the military takeover of the country and subsequent criticisms over its infringement of human rights by the movement. -- more

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Transport Minister Datuk Seri Dr Ling Liong Sik who also met his counterpart, said both countries had agreed in principle to establish air and sea linkages to enhance trade and investment.

On air links alone, both countries had agreed to grant each other unlimited landing rights in respect of third and fourth freedom.

However, further talks would be held among officials to determine appropriate intermediate fifth landing rights and beyond.

On shipping, the minister said all matters pertaining to port facilities and the safety of sailors were discussed.

Both sides agreed to form an interim joint-committee to formalise the linkage as soon as possible, he added.

-- Bernama