

# PM: South must increase trade ties

*Dr Mahathir - oversea trips*

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From Zainon Ahmad

TEHERAN, Sun. — The South nations must strive to enhance trade and commercial exchanges among them to minimise the detrimental effects to their economies caused by the present trend towards unhealthy trade practices, the Prime Minister said today.

This trend and the possible failure of the Uruguay Round of Multilateral Trade Negotiations were likely to result in protectionist policies, leading to restrictions on world trade, diversion of trade away from countries outside the bloc, and the disruption of the free flow of capital, Datuk Seri Dr Mahathir Mohamad said.

He said countries with trading and other ties with the developed economies of the North were the most to suffer from the increasing trend towards the formation of trading blocs and the creation of bilateral trading arrangements involving the

rich nations and their close neighbours.

"Malaysia on her part has embarked on a concerted drive to enhance economic and commercial links with countries of the South, including Iran," he said in a meeting between Malaysian and Iranian businessmen.

Dr Mahathir said his arrival with a large number of prominent members of the Malaysian business sector augured well for the future of Iranian-Malaysian business and trade.

He spoke of Malaysia's achievement through the Malaysia Incorporated concept.

Malaysia was keen to participate in Iran's development programme and Malaysian industrialists and entrepreneurs had, over the years gained experience and expertise in the field and were willing to share them with the Iranians.

Dr Mahathir said Iran's introduction of measures to liberalise its economy and

encourage private sector growth was indicative of its commitment to develop its economy by welcoming foreign investments in order to overcome local entrepreneurial, financial and technological shortages.

"Malaysia is willing to cooperate and share her experience in the economic field with Iran," he said.

As a result of Iran's increasing economic liberalisation, there was a small but steady increase in trade and investment interest which could provide the impetus for greater cooperation between the two countries in the coming years.

"Additionally, there will be more interests among investors from other countries as well, in the potentials of Iran," Dr Mahathir said.

Despite their long established cultural and economic ties, economic and trade relationship between Malaysia and Iran still remained small — only

around US\$70 million (RM182 million) annually and confined to petroleum, commodities and a few manufactured products.

"This situation does not reflect the actual potential that exists between the two countries which needs to be exploited," he said.

The Prime Minister said there were already a number of mechanisms both at multi-lateral, regional and subregional levels to facilitate and enhance trade and economic links between countries of the South.

One such project launched by the G-15 is the South Investment and Trade Technology Data Exchange Centre (SITTDEC) located in Kuala Lumpur which provided the avenue for South countries to increase trade, investment and technology flows among them.

He invited Iran to become a member so that it would be able to utilise the facilities.