

Malaysia and Indonesia to co-operate in

# Enhancing

# bilateral ties

aerospace, automotive industries

LANGKAWI, Fri. — Malaysia and Indonesia are actively working out areas of co-operation in the aerospace and automotive industries to further enhance bilateral ties, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the co-operation in the automotive industry would include the production or assembly of the Proton Saga in Indonesia.

He said the co-operation would be made possible with the combined market of both countries.

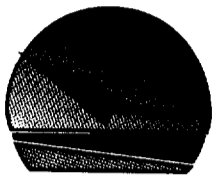
"If we set certain standards which will be applicable to both countries, the products of one country can be used in the other.

"I'm quite sure that we will be able to promote the sale of automobiles from Malaysia in Indonesia and sale of Indonesian aircraft in Malaysia. We start with Indonesia and then, possibly, with Thailand and the Philippines."

Malaysia's and Indonesia's need for more aircraft had become increasingly obvious in view of the growing population and the expanding market, he said.

"While the larger aircraft will be built in Indonesia, Malaysia can concentrate on building smaller ones, and we can co-operate to upgrade the industry."

Dr Mahathir was speaking to reporters after Indonesian Research and Technology Minister Professor Dr R T Habibie called on



**LIMA '93**  
M A L A Y S I A

■ MORE REPORTS  
AND PICTURES  
ON PAGES 2,3,4 & 6

"That is the discussion we had just now."

On the manufacturing of the Proton Saga in Indonesia, he said the matter would be further discussed in detail.

"We will discuss in detail the possibility of manufacturing components for the Proton Saga in Indonesia with the aim of meeting the local content requirements.

"This way, we can reduce duties imposed (by Indonesia) on imported cars. We can then compete better with other cars manufactured or assembled in Indonesia."

On whether Malaysia intends to buy the Indonesian CN235 transport aircraft, Dr Mahathir said the Government had not decided on the matter.

"It will depend on our military necessity. We are conducting a study on its suit-

# Jakarta IST 11 DEC 1993 keen to co-operate in hi-tech projects

□ FROM PAGE ONE

dustrial development."

On Malaysia's involvement in light aircraft manufacturing, Dr Mahathir said Malaysia had the expertise to build such planes.

"The Dornier Seastar as an amphibious aircraft is suitable for Indonesia. It can carry 14 people and can be used for island hopping ... a company from Indonesia has ordered the aircraft."

After the meeting with Dr Mahathir, Habibie told reporters that Indonesia hoped both countries could improve their co-operation in the aerospace industry and other technological fields.

He said Indonesia was following the development of Malaysia's aerospace industry.

"The industry is developing well in Malaysia and we want to emulate that development. We could also perhaps emulate Europe where they have Airbus Industrie and other aircraft manufacturers.

"In the future, God willing, we will have hi-tech commercial as well as military projects between Malaysia and Indonesia and the co-operation could be extended to other Asean countries," he said.

Habibie said Indonesia welcomed Malaysia's involvement in the aerospace industry.

"We have 20 years of experience in the aerospace industry and we are willing to share our experience, especially the mistakes we have made," he said.

"It is good for one who wants to develop to learn from other people's mistakes so that it will not be repeated."

He said Indonesia would also co-operate to bring the Proton Saga into its market.

Asked whether he has brought up the question of whether Malaysia is interested in buying the CN235 aircraft, Habibie said: "That was already discussed between President Suharto and Dr Mahathir.

"What we're doing now is the implementation of the results of the understanding between both statesmen.

"We are looking for possibilities on how Indonesia can assist or participate in the Proton Saga business as well as the business of your basic trainers which is one of the first products coming out from Malaysia's aerospace industry.

"Indeed, we have made Malaysia's aircraft our standard basic trainer. So, you will then have two captive markets, that is Malaysia as well as Indonesia."

On the purchase of the Super Puma helicopter by Malaysia which is to be reciprocated with Airod's repair of Indonesian aircraft, Habibie said: "Yes, no problem. It is being implemented."

He said Indonesia would take part in Lima '95 and would be sending its M-250 aircraft.

Later, Habibie toured various booths at the exhibition hall. He told reporters that the Indonesian Government needed basic trainer aircraft for its pilot schools.

"Right now we need between 10 and 20 of such aircraft. And the aircraft identified is the Datwyler MD3-160 produced by Syarikat Malaysia Explosives," he said.

Habibie said SME representatives would visit Indonesia soon to carry out negotiations with its Transportation Ministry's officials.

"They will meet officials of Industri Pesawat Terbang Nusantara for the further implementation of the agreement.

"If possible, we want to conclude the deal this month as our fiscal budget ends in April next year," he added.