

Mahathir: Do not let politics affect economic ties

By ROHAIZAD A. RAHIM

MANILA: Malaysia and the Philippines will not allow political differences to impede economic co-operation, Prime Minister Datuk Seri Dr Mahathir Mohamad said yesterday.

He said the close proximity of the two countries should have generated a higher volume of trade than the current situation.

"In many ways, we have the same economic goals and aspirations and

this could certainly provide us with the basis of co-operation in all economic sectors.

"Political differences are still with us but both governments have decided not to let these stand in the way of economic co-operation," he said at a luncheon hosted by the Philippine Chamber of Commerce and Industry.

Also present were Foreign Minister Datuk Abdullah Ahmad Badawi, Malaysian envoy to the Phi-

lippines Datuk Zainuddin Abdul Rahman, Foreign Secretary Roberto Romulo and PCCI chairman Herman Montenegro.

Reflecting on trade, Dr Mahathir said the level of two-way trade between the two countries stood at RM1.83 billion, with Malaysian exports totalling RM1.22 billion and imports at RM610.7 billion.

The Philippines, he said, was important to Malaysia's hopes for greater intra-Asean trade

and investment.

He said Malaysian investments here had increased over the years and would be expected to increase when projects under the memoranda of understanding signed last year came on stream.

Dr Mahathir also noted that Philippines' investments in Malaysia could be more than the present level.

Between 1980 and 1993, he said, total Philippine investments in Malaysia

covered 25 industrial projects with equity at RM68.3 million.

In the future, Dr Mahathir said there would be plenty of opportunities for import of Philippine products to Malaysia.

He said this was in line with the Government's intention to diversify its import sources and reduce dependence on traditional trading partners.

On Asean, Dr Mahathir said the framework of co-operation established had

enabled member countries to achieve greater efficiency in manufacturing and production.

With the creation of the Asean Free Trade Area (Afta), he said it would make member countries more attractive for direct foreign investments.

Nonetheless, he said while trade within Afta was important, it is imperative that attention be given to trade with countries outside the area.