

Dr M: Co-operation among timber selling nations vital

KUALA LUMPUR, Sat. — Prime Minister Datuk Seri Dr Mahathir Mohamad said co-operation among tropical timber producing countries is important as competition among them would only benefit buyer countries.

He said the co-operation among the countries such as Malaysia and Indonesia would ensure the stability of timber prices in the world market.

He said it would be pointless to compete as in the end the buyers would be the ones who would be making profits.

Dr Mahathir said this in response to questions from the Indonesian Press in conjunction with the signing of an agreement between a local and Indonesian companies at Istana Hotel.

“Such co-operation can also prevent efforts by temperate timber producing countries to discredit us and increase their timber market. It has nothing to do with the environment but trade,” he said.

Under the agreement Sabah-based Construction and Supplies House (CASH) Berhad will acquire four timber-based companies from the Indonesian-based Barito Pacific Group of Companies for RM2.59 billion.

Replying to another question, Dr Mahathir said a study was being carried out to adopt a similar technology which was adopted by Indonesia in its reforestation programme.

He said that although Malaysia was much smaller than Indonesia it also had

its own forest replanting project.

Earlier, speaking at the ceremony, Dr Mahathir said Malaysia and Indonesia could play an important role in intensifying the economies of the East Asian region so that they would be more dynamic.

He said Malaysia and Indonesia were among the most dynamic economies in the region and with their economies becoming more robust, they could contribute to the growth of the economies of other countries which were more backward in the region.

He described the agreement as the most tangible result of bilateral economic co-operation between Malaysia and Indonesia.

He also said that Malaysia

adopted an open policy with regard to investment and as such was able to acquire investments and technology.

Earlier, Indonesian Minister of Investment Sanyoto Sastrowardoyo, said in recent years, both countries had enjoyed a healthy and positive economic relation.

For example, he said the volume of trade between the two countries had increased significantly from US\$762.1 million (RM1.9 billion) in 1989 to US\$1,758.2 million (RM4.4 billion) this year or a 130.7 per cent increase.

The balance of trade in 1993 was in favour of Malaysia where the total value of Malaysia's exports to Indonesia was US1.0 billion (RM2.5 billion).