

Move to correct Pakistan trade imbalance

By Farush Khan and Francis C. Nantha

KUALA LUMPUR, Fri. — Malaysia will encourage its businessmen to invest more in Pakistan to correct the trade imbalance between the two countries.

Prime Minister Datuk Seri Dr Mahathir Mohamad said this to his Pakistani counterpart, Mohtarma Benazir Bhutto, during their meeting at the Prime Minister's Department here today.

At a Press conference held after the one-hour meeting, Foreign Minister Datuk Abdullah Ahmad Badawi said Benazir had suggested that Malaysian firms go into fields such as shipping, transportation and mining.

She would also like to see Malaysia's firms investing in and buying goods from Pakistan to balance trade figures which are now about RM800 million in Malaysia's favour.

Towards this end, two agreements were signed: one on economic, scientific and technical co-operation and the other on the promotion and protection of investment.

The first was signed by Abdullah and Minister of State for Finance Makhdoom Shahabuddin and the second by International Trade and Industry Minister Datuk Seri Rafidah Aziz and Makhdoom.

Records show that Malaysia-Pakistan's bilateral trade has gone up by 170 per cent from RM700 million in 1989 to RM1.89 billion last year.

Malaysia's imports from Pakistan last year totalled RM161 million while Pakistan's imports from Malaysia were about RM1.7 billion.

Malaysia's exports to Pakistan also rose by 58.1 per cent last year and this represented 1.12 per cent of Malaysia's overall exports.

Palm oil accounted for 86 per cent of Malaysia's total exports to Pakistan, at 1.4 million tonnes, last year.

Dr Mahathir also welcomed Pakistan's intention to join the South Investment Trade and Technology Data Exchange Centre (Sittdec) as it would enable Pakistan to get latest informa-

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tion on investment opportunities in South countries.

"Dr Mahathir also told Benazir that we are prepared to take foreign skilled workers and professionals like doctors, engineers and scientists on a contract basis."

Abdullah said the two leaders acknowledged their existing close ties and the need to enhance their economic co-operation. Pakistan was Malaysia's biggest export market in South Asia last year.

He said they also discussed international issues, with Dr Mahathir informing Benazir that Malaysia would not withdraw its troops from war-torn Bosnia-Herzegovina although

Western countries were currently contemplating pulling out their men.

After witnessing the signing ceremony, Benazir was briefed at the Economic Planning Unit (EPU) on Malaysia's economic achievements and investment policies by EPU director-general (macroeconomics) Datuk Annuar Maarof.

Benazir expressed gladness that Malaysia had confirmed its membership with the World Trade Organisation (WTO).

The WTO, which now has 96 members, was formed after the final round of talks on the General Agreement of Trade and Tariffs in Uruguay in 1993. It aims to cut protective trade barriers between nations to allow free

flow of commerce.

Benazir said Malaysia's membership and its complementary move to cut and abolish import duties — on 2,600 items in the 1995 Budget — was a welcomed step which would further promote trade between Malaysia and Pakistan.

She also reacted positively to the Malaysian Government holding annual dialogues with the private sector before preparing the annual Budget, with some of the suggestions during dialogue being incorporated into the Budget proposals.

Benazir said Pakistan could well emulate the close co-operation in Malaysia between the public and private sectors, which had contributed effectively to

promoting economic development.

She also showed interest in the Malaysian Government's policy to eradicate poverty and to improve the living standard and economic status of the people.

During the one-hour briefing, Benazir was accompanied by Deputy Health Minister Datuk Dr Siti Zahara Sulaiman, who is Minister in-attendance.

Benazir, who led a 2-member delegation, which includes her spouse Asif Ali Zardaji, arrived here yesterday for a four-day working visit.

Tonight she attended dinner hosted by the Oxford and Cambridge Society of Malaysia and Harvard Club at Carcosa Seri Negara.