

# More flights, incentives for businessmen

# Make it easy, Pre

## From Zainon Ahmad in Cape Town

DATUK Seri Dr Mahathir Mohamad concluded his five-day visit to South Africa yesterday with a call to accelerate bilateral relations by facilitating travel by Malaysian entrepreneurs to visit their investments in that country and for tourists.

The Prime Minister had three rounds of talks with President Nelson Mandela where several matters were raised to help strengthen bilateral relations.

Dr Mahathir said there was a need to increase the frequency of Malaysia Airlines flights between Malaysia and South Africa from the present twice a week to daily.

He said a third flight had recently been approved but the frequency needed to be increased further.

Dr Mahathir was speaking at a Press conference after addressing the South African Parliament yesterday. He left for Namibia today with a smaller party for a two-day visit.

Dr Mahathir said he also brought up the question of South Africa's corporate tax structure. Other areas discussed by the two leaders for possible co-operation included satellite communications and the information highway.

South Africa imposes an across-the-board corporate tax of 35 per cent with an additional 15 per cent if dividends are paid. Malaysian entrepreneurs investing here have complained that the taxes are too high.

Dr Mahathir said as South Africa was competing with other countries in attracting investments, it should consider some incentives.

"In Malaysia we give tax exemptions of up to 10 years," he said.

The Prime Minister said the high cost of South African labour was a disincentive but workers had to be paid high wages because the cost of living was high.

Describing his visit as

highly successful, Dr Mahathir said the signing of memoranda of understanding between Malaysian investors and local entrepreneurs during his visit reflected Malaysia's confidence in the potential of South Africa.

The acquisition of 40 hectares of land in Durban by the Renong Group for development over 15 years reflected Malaysia's long-term commitment, he said.

The trade volume between the two countries, which totalled RM780 million in 1994, increased four-fold during the first four months of this year and was now in South Africa's favour.

Dr Mahathir said Malaysia was also importing fruits from South Africa and was identifying more products to source from here.

The Prime Minister was also asked to give his views on nuclear testing in recent weeks. He said the exclusive nuclear club should be done away with and all countries should be prohibited from possessing nuclear weapons.

He said for as long as the United States, China, Britain, France and Russia — members of the exclusive club — were allowed to have nuclear weapons, they were bound to test them at one time or other.

"The French want to test them and so did the Chinese and their excuse is that if you don't test you won't know whether they work or not — no point in keeping duds," he said.

Dr Mahathir said his reaction to the Chinese testing last week of their second nuclear device this year was based on Malaysia's stand that no country should have nuclear weapons.

"If we can ban chemical weapons I cannot see why we cannot ban nuclear weapons," he said, adding that the ban should be total without the caveat that "those who have them may retain them".

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...the this peace/ to a democra/ cial South Af/ says Dr Mahathir



# la asked

## Call for ban on all nuclear weapons

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He said when there were no more nuclear weapons anywhere in the world there would be no more testing. Malaysia reacted strongly when France announced that it was resuming testing of its nuclear devices next month in the south Pacific.

China's underground nuclear test at Lop Nor in its northwest region of Xinjiang last Thursday was its second this year, and its 43rd since detonating its first atomic bomb in 1964.

France has decided to end its three-year moratorium on testing from next month. Britain, the United States and Russia have also observed a ban on tests since 1992.