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Mahathir-China

CHINA AND MALAYSIA TO STEP UP BILATERAL ECONOMIC COOPERATION

By: Zainoor Sulaiman

BEIJING, Aug 26 (Bernama) -- Malaysia and China today agreed to take steps to facilitate greater flow of investment and exchange of visits between the people of both countries, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister, who met his Chinese counterpart Li Peng at the Great Hall, said they discussed the need to further improve communications and air transport between the two countries.

Dr Mahathir said he was quite satisfied with the level of economic cooperation between Malaysia and China.

"But I think we can do more. We think there should be greater Malaysian investment in China and Chinese investment in Malaysia," he said.

"We think there should be more free flow of trade as well as people between the two countries."

"There should be more visits on the part of government officials and business leaders so that our economy can be more complementary to each other."

As a manifestation of the close economic cooperation between the two countries, 15 Sino-Malaysian agreements and Memoranda of Understanding on joint-ventures were signed between officials and businessmen of the two countries during the current four-day working visit of Dr Mahathir.

On the issue of the Spratly Islands in the South China Sea claimed in whole or part by several countries including China and Malaysia, Dr Mahathir said Li Peng stressed that China wanted the problem to be settled through consultations and negotiations and not confrontation.

"He feels that until we resolve this matter in accordance with the current situation and not from the standpoint of history, we should be able to work together to jointly develop the area," he said.

Replying to a question whether China has departed from its previous position that it was only willing to discuss the Spratly issue on a bilateral basis, Dr Mahathir said: "Premier Li did not say that he will handle this question bilaterally."

But the Chinese leader did say that he wished to have this problem settled through negotiations, including multilateral negotiations, he added.

"Certainly, in so far as Asean countries are concerned, we would like to take this up as a subject that involves a number of Asean countries," he said.

Apart from China and Malaysia, the Spratlys are also being claimed in parts by Brunei, Vietnam and the Philippines.

Dr Mahathir also said Li Peng gave his full support for China's participation in the Malaysia-led Mekong Basin development including the railway project.

On the World Trade Organisation (WTO) meeting in December in Singapore, Dr Mahathir said: "We made it clear that trade should not be linked to non-trade issues."

Saying that there are other forums which could be used to discuss non-trade issues such as environment protection and human rights, he stressed that the WTO should confine its discussions to trade issues.

It should not be linked to other issues particularly if the linkage was meant to frustrate the growth of trade of many developing countries.

Apart from meeting Li Peng, Dr Mahathir also held talks with Vice

Premier Zhu Rongji and called on President Jiang Zemin.

Tonight, he attended a banquet hosted by Li Peng at the Great Hall. The Prime Minister will return to Kuala Lumpur tomorrow. -- BERNAMA

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