

14 JUL 1996

PM-Capital

KAZAKHSTAN SEEKS MALAYSIA'S HELP TO BUILD NEW CAPITAL

KUALA LUMPUR, July 14 (Bernama) -- Kazakhstan hopes to make the most of Prime Minister Datuk Seri Dr Mahathir Mohamad's visit there on Thursday to further strengthen bilateral ties including seeking Malaysia's help to build a new capital city, a Kazakhstan official said.

The Kazakhstan charge d'affaires here, Murat Munataev, said towards that end his country looked forward to having a resident Malaysian ambassador in Almaty, the capital, and to signing agreements on banking and avoidance of double taxation.

Dr Mahathir and his wife Datin Seri Dr Siti Hasmah Mohd Ali leave tomorrow for official visits to the two central Asian states starting with the Kyrgyz Republic from July 15 to 18 and then Kazakhstan until July 20.

The Prime Minister's official delegation includes five Cabinet members -- Foreign Minister Datuk Abdullah Ahmad Badawi, Works Minister Datuk Seri S. Samy Vellu, Primary Industries Minister Datuk Seri Dr Lim Keng Yaik, Culture, Arts and Tourism Minister Datuk Sabbaruddin Chik and Minister in the Prime Minister's Department Datuk Dr Abdul Hamid Othman -- as well as four menteri besar.

Also accompanying Dr Mahathir to both countries is an 81-member business delegation headed by Malaysia Airlines chairman and chief executive Tan Sri Tajudin Ramli.

Munataev told Bernama he personally felt it would be a boon to his country's development efforts to have former Finance Minister and now economic adviser to the government Tun Daim Zainuddin in a similar role to Kazakhstan.

Last Friday Munataev called on and had discussions with Tun Daim who will also join Dr Mahathir for the visit.

According to Munataev, his country needed a new capital as Almaty, (population 1.2 million), is small and cannot be expanded because it is surrounded by mountains on three sides.

The proposed new capital at Akmoly, about 1,000 km from Almaty, is in a semi-desert area but without obstacles to expansion and Munataev reckoned it could cost up to US\$50 billion to build.

+This wish of seeking Malaysia's help in building a new capital at Akmoly was discussed when my president (Nursultan Nazarbayev) met Dr Mahathir during his visit here in May this year. Dr Mahathir indicated he would look into possibilities to help in this direction,+ said Munataev.

Munataev, who set up the Kazakhstan mission here two years ago, said his early efforts to attract Malaysian investment to his country had met with poor response partly because of the lack of direct air links.

But he was confident the signing of an air services agreement between Malaysia Airlines and the Kazakhstan national carrier planned for during Dr Mahathir's visit would widen contact between businessmen of both countries and increase the number of bilateral projects.

Even so, Munataev said, a few Malaysian businessmen have already made inroads into Kazakhstan including one with interests in a gold mining venture and another, due to sign a US\$750-million investment deal in a hydro-electricity project during the visit, he said.

Munataev said it was still not too late for Malaysian businessmen to join the South Koreans, Japanese, Europeans and Americans who were well ahead in capitalising on investment opportunities in Kazakhstan soon after

the country's break-up from the former Soviet Union.

He said while Kazakhstan could learn more from Malaysia, his country's expertise in aerospace and agriculture high technologies are areas in which Malaysians could take advantage of besides exploitation of its natural resources.

Presently Malaysia-Kazakhstan trade amounted to only US\$3.6 million with the balance of payment in Kazakhstan's favour but the country's private sector had started importing Malaysian palm oil and furniture, he said.

+I envisage that diplomatic and other ties between Kazakhstan and Malaysia will be very close once you have an ambassador in Almaty. Presently your ambassador to Russia is also accredited to Kazakhstan and he cannot come to Almaty as often as we need him to,+ he said.

Wisma Putra said Dr Mahathir's visit to the Kyrgyz Republic and Kazakhstan, the first by a Malaysian prime minister, was aimed at establishing closer bilateral ties +particularly in the promotion of trade and economic relations.+

The visits are at the invitation of Kyrgyz president Askar Akayev who made a state visit to Malaysia in July last year and Kazakhstan president Nazarbayev in May this year. -- Bernama RN