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Iran-MoU

MALAYSIA WANTS TO REVIVE ABORTED MoUs

KUALA LUMPUR, May 31 (Bernama) -- Malaysia is confident that it will be able to salvage some of the aborted bilateral agreements and Memoranda of Understanding (MoUs) with Iran through the Malaysia-Iran Joint Economic Committee (JEC).

"We are optimistic that the two countries will be able to revive these agreements and MoUs through the JEC," a Malaysian diplomat said.

He told Bernama today that Kuala Lumpur had raised the matter several times with Tehran through the JEC meeting and although there had not been any positive response from the Iranian side, he was confident that "something can be worked out".

The diplomat said these agreements, which were among the agreements and MoUs as a result of Prime Minister Datuk Seri Dr Mahathir Mohamad's visit to Iran in April 1993, had failed to take off because of government bureaucracy or red tape.

An example is the MoU between Malaysia's Ekran Berhad and Qeshm Free Trade Area Authority (QFTAA) for the development of a hotel project on Qeshm island.

The project, according to the diplomat, "could either be described as on the verge of being abandoned or..."

"There has been a lot of discouragement for the Malaysian investors in Iran because of the system...The government bureaucracy has delayed the implementation of some of the agreements and MoUs," said the diplomat.

The Ekran-QFTAA MoU was among several MoUs including cooperation agreements signed between Malaysian and Iranian governments that had encountered "problems".

The other MoUs signed were between Pars Investment and Development Company of Iran (PIDC) and the Palm Oil Research Institute of Malaysia for cooperation in packaging and so on of palm oil and palm kernel oil for the Iranian market.

Between Malaysia's Kobena-KLG and Iran's Industrial development and Renovation Corporation for the companies to establish business and technical cooperation in oil and gas activities in both countries and between Iran Steel Group and the Malaysia-Bangladesh Investment Company to enable the two to explore joint venture possibilities in the field of cold storage and warehousing, respectively.

The agreements were a US\$600-million contract between Petronas and the Iranian National Oil Company for the daily purchase of 55,000 barrels of Iranian crude by the Malaysian petroleum company;

A joint venture contract for the development of telecommunication network services in Iran's Qeshm island between Technology Resources Industries Berhad and QFTAA and an agency agreement between Iran Mines Export Development Company and Roslan Baba Architect to distribute marble and granite in Malaysia.

To facilitate the private sectors of the two countries in embarking with their projects, the Malaysian and Iranian governments signed several agreements and MoUs as well.

The initial agreements were an investment guarantee pact and avoidance of double taxation to complement the existing Bilateral Payments Arrangements between the two countries.

Three MoUs including a RM50 million credit facility to buy palm oil and the construction of a 100,000-tonne bulking facility at either Bandar Abbas

or Bandar Imam and the purchase of the commodity by an Iranian company were signed later.

Citing an example, the diplomat said the palm oil credit facility had not been fully utilised by Iran.

"We don't know the reason for this but this is happening," he said, adding that Malaysia officials had on many occasions tried to seek explanation from their Iranian side.

He said the extent of the "damage" to the Malaysian investors could not be ascertained as they dealt directly with their Iranian counterparts.

"There is actually no pull factor for our investors in Iran and we hope something will be done to correct this situation," he added

The diplomat did not wish to be identified . --BERNAMA

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