

07 AUG 1996

Abdullah-U.S.

M'SIA AGAINST U.S. MOVE TO PENALISE FOREIGN COMPANIES IN LIBYA/IRAN

KUALA LUMPUR, Aug 7 (Bernama) -- Malaysia opposes the United States' move to penalise foreign companies investing in Iran and Libya because this is against the principle of sovereignty, Foreign Minister Datuk Abdullah Ahmad Badawi said today.

"The principle is that our sovereignty cannot be violated by a law which enables the U.S. to act as it likes for its own interests," he told reporters after meeting his Australian counterpart Alexander Downer here.

He was commenting on President Bill Clinton's signing last Monday of a bill aimed at punishing foreign companies which invest in the two countries which the U.S. has accused of supporting terrorism.

Abdullah said Malaysia would not accept the U.S. decision because as a sovereign country Malaysia had the right to decide what was best for itself.

The Cabinet today agreed that the Asean Economic Ministers discuss the matter and adopt an Asean stand before raising the issue at the Asia-Pacific Economic Cooperation (Apec) meeting in Manila in November, he said.

He said Wisma Putra had no information yet on the involvement of Malaysian entrepreneurs in Iran and Libya.

Abdullah said the European Union was also reported to be against the U.S. decision and its members were planning their response to the move.

Earlier, at a joint press conference after the meeting, Abdullah said the discussions not only touched on bilateral issues but also regional ones, including the coming Apec summit, development in the Mekong Basin and the Asean Regional Forum.

"Mr Downer indicated that Australia would want to participate in the Mekong Basin development which is another opportunity for cooperation between Malaysia and Australia, which will be beneficial to Indochinese countries," he said.

Abdullah said there were more areas of commonality between the two countries and both Downer and himself were happy with the state of relation between both sides.

When asked on the situation in Indonesia, Abdullah and Downer hoped that stability would return there following the recent political riots.

Downer also expressed his appreciation over Malaysia's support for the Australian candidacy for a seat on the United Nations Security Council.

Downer, who arrived this morning for a four-day visit, had earlier met Prime Minister Datuk Seri Dr Mahathir Mohamad. -- BERNAMA

MAM YBY