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Economic ties with Croatia set to be intensified

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KUALA LUMPUR, Mon. - Malaysia and Croatia has agreed to intensify mutual economic co-operation, particularly in establishing joint-ventures in power generation, ship building and construction.

The agreements were reached after Prime Minister Datuk Seri Dr Mahathir Mohamad held talks with visiting Croatia Prime Minister Zlatko Matesa at the Prime Minister's Department.

The key aspects of the agreements include:

- * the importance of working together to re-construct war-torn Bosnia-Herzegovina;

- * encouraging the two countries' respective private sector to set up joint-ventures either in their respective countries or through a third country;

- * sending an Economic Planning Unit delegation to Bosnia to identify training courses for its out-of-work soldiers; and,

- * Croatia agreeing to allow Malaysian airline company, Air Asia - a subsidiary of Diversified Resources Berhad-Hicom - to fly into the country (currently, only Malaysia Airlines has the right).

Matesa made the third request based on Malaysia's experience in developing small business which checked problems of unemployment.

"It is important that ex-soldiers are involved in economic activities to prevent social problems in Bosnia," Foreign Minister Datuk Abdullah Ahmad Badawi said.

Abdullah, who disclosed the outcome of the talks to reporters, said Dr Mahathir and Matesa agreed that although there were progress in bilateral relations, there was a need to do more.

Malaysia, he said, proposed last year for a body comprising companies from the two countries to be formed to participate in Bosnia's redevelopment.

"However, this initiative has not taken off as expected," he said. "One reason is that Malaysian companies are already actively involved in other countries."

Abdullah said Dr Mahathir would nevertheless encourage Malaysian companies to invest in Croatia.

Earlier, Matesa, who arrived yesterday for a three-day official visit on Dr Mahathir's invitation, was accorded the official welcome at a ceremony at Parliament Square.

He was met by Dr Mahathir on arrival and later inspected a guard-of-honour mounted by three officers and 103 soldiers from the Royal Malay Regiment 1st Battalion at Sungai Besi under the command of Mej Ramli A. Rahman.

Matesa was also introduced to Cabinet ministers, senior government officers and foreign dignitaries.

The Croatian Prime Minister was accompanied by a 16-member delegation which included ministers, senior officials and businessmen.

Abdullah said Dr Mahathir expressed Malaysia's appreciation to Croatia for importing Proton cars.

"There is already a good market for Protons in Croatia," he said. Proton has so far exported 110 units to Croatia.

Dr Mahathir and Matesa also discussed the status of Bosnian Serb war criminals who are being tried before an international tribunal.

Matesa agreed that those who opposed the accord should be dealt with and

not tolerated.

"As long as the war criminals remain at large they pose a threat to peace," he said. "It is certainly a policy of Croatia to see the federation of Bosnia succeed."

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