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Gulf visit ends with better ties

Ahmad A. Talib in Kuwait City

DATUK Seri Dr Mahathir Mohamad ended his three-day official visit to Kuwait yesterday confident that bilateral cooperation between Malaysia and the Gulf State would be meaningful in the future, with definite areas of collaboration in several sectors.

The Prime Minister said closer cooperation between the two countries would also be seen at the regional and international level. In this case, he cited possible areas of cooperation in the finance and petroleum fields.

He held a Press conference just before leaving for Bahrain for a three-day official visit. He is accompanied by his wife, Datin Seri Dr Siti Hasmah Mohd Ali, Entrepreneur Development Minister Datuk Mustapa Mohamed, Terengganu Menteri Besar Tan Sri Wan Mokhtar Ahmad, Deputy Finance Minister Datuk Affifuddin Omar and other Government officials.

Dr Mahathir also brought a corp of top-flight Malaysian businessmen led by Malaysian Airlines chairman Tan Sri Tajuddin Ramli.

At the Press conference attended by journalists from Malaysia, Kuwait and the international wire services, Dr Mahathir was asked several questions, largely on Malaysia-Kuwait ties.

The Prime Minister said: "I had some very fruitful discussions with senior officials and leaders of the Kuwaiti Government. We discussed several areas of cooperation in the bilateral, regional and international arenas. The Kuwaiti Government has been very forthcoming, which makes me more confident of a more meaningful relation in the future."

Asked to elaborate on areas of cooperation in the petroleum sector, the Prime Minister said the national oil companies from the two countries would look for collaboration in the upstream and downstream activities. He added that they would also be looking at joint efforts in third countries as well.

Dr Mahathir also said there was a possibility that Malaysia may buy more oil from Kuwait. When asked whether he could quantify the additional purchases, Dr Mahathir said this was being looked into but pointed out that oil exports constituted about 80 per cent of Kuwaiti exports to Malaysia.

In the area of finance, the Prime Minister said Kuwait's experience in this would be useful. He said Kuwaiti financial institutions should look into possible equity participation in Malaysian projects either in Malaysia or abroad.

"More Malaysians companies are going overseas and it would be useful if Kuwaiti financial institutions participate in these undertakings. They can either buy equity or provide financing for these ventures," Dr Mahathir said.

He said he was encouraged by the participation of at least one Kuwaiti financial institution in Labuan where it could take advantage in the off-shore financial operations.

Asked whether there was any substantial discussion on Islamic banking with Kuwaiti leaders, Dr Mahathir said there should be more discussion on that matter. One area that needs careful study is how Islamic banking procedures could be applied in the area of project financing, he said.

Asked how Kuwaiti companies would be treated if they attempted to invest in Malaysia, Dr Mahathir said they would be welcomed in the same way as many other foreign investors. They may choose either to buy equity in

Malaysian projects or take up shares through the stock exchange.

Asked for his view on cooperation with Islamic countries, particularly cooperation within a bloc of Islamic countries, the Prime Minister said this was always welcomed but he added that more could be achieved when working within a smaller group.

Asked whether there was any discussion on the Palestinian-Israeli conflict in the light of Israel's continued effort to build a settlement on the Arab West Bank, Dr Mahathir said he and Kuwaiti leaders "see eye to eye" on the peace process.

"We did not formally discuss the issue but we stand behind efforts to seek peace in the area," Dr Mahathir said.

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