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Malaysia, Kuwait agree to revive air links

Kamarul Yunus in Kuwait City

KUWAIT CITY, Sun: Malaysia and Kuwait have agreed to revive the air links with the intention to boost trade and investment cooperation between both countries.

Prime Minister Datuk Seri Dr Mahathir Mohamad said Malaysia will initiate a discussion with Kuwait on the possibility of formalising an air services agreement to provide landing rights for airlines from both countries.

"Previously, we had flown to Kuwait but as a technical stop-over because we cannot travel directly to Europe. Since we have aircraft that can fly non-stop, we decided to move our operations to Dubai.

"Nevertheless, Kuwait Airways has also stopped flying to Kuala Lumpur last year," he told Malaysian journalists after the Malaysia-Kuwait bilateral meeting here today.

In 1986, Malaysia and Kuwait signed the air services agreement whereby Kuwait Airways was given the landing rights to fly twice weekly to Kuala Lumpur.

Malaysia Airlines also used to fly into Kuwait as a stop-over to London but has temporarily terminated the services since the Gulf war.

Besides landing rights, Dr Mahathir said Malaysia foresees the potential of cooperation between airlines of both countries such as through the code-share agreement.

Dr Mahathir, who arrived here on Saturday as part of his five-day visit to Kuwait and Bahrain, said Malaysia and Kuwait need to upgrade the air and sea links to improve the two-way trade which is currently considered low although both countries have a long-standing trade relation.

"This is probably due to lack of emphasis by Malaysian businessmen towards investing in Kuwait which is currently limited to oil and indirect export of goods.

"We know that there are many Malaysian goods in Kuwait but most of them are under foreign labels.

"Although it is under different foreign labels, the quality of our goods can be considered as on par with other foreign goods imported into Kuwait," he said.

Dr Mahathir said Malaysian businessmen should diversify their exports to Kuwait because the country has no industries which manufacture goods.

"Kuwait is a very rich country. They import many goods ... they don't have industries that manufacture goods.

"Most of the things such as vegetables and flowers are imported from other countries," he said.

Asked on the areas that Malaysian investors can foster cooperation in Kuwait, Dr Mahathir said the private sector can study the areas that they think viable for business cooperation.

"As far as I am concerned, there are vast potential for developing major business collaboration and activities in Kuwait," he said.

In fact, he said, there are already several Malaysian companies which have ties with Kuwait, especially in the finance sector.

Dr Mahathir also said Kuwait wants to emulate Malaysia's privatization concept which they described as very successful.

"We have invited Kuwait to send a delegation to the relevant authorities such as the Economic Planning Unit or the Implementation Coordination Unit to study our privatization programmes," he said, adding that the study

will include the privatization in the petroleum industry.

He also urged Kuwaiti businessmen to set up joint ventures with their Malaysian counterparts to explore potential in the petroleum industry in the respective countries as well as in Third World countries.

Dr Mahathir also said he had explained to the Kuwaiti Government that Malaysia does not practise what other countries do in their privatization of departments, agencies and projects.

"We explained that one of the conditions in our privatization in Malaysia is that we do no retrench employees.

"Instead, we provide incentives such as bonus and shares to the workers so that they will benefit from privatization. In other countries, they retrench the workers when they want to privatize," he added.

After the bilateral meeting, Dr Mahathir witnessed the signing of an Avoidance of Double Taxation Agreement between Kuwait and Malaysia.

Entrepreneur Development Minister Datuk Mustapa Mohamed signed on behalf of the Malaysian Government, while Kuwait was represented by its Deputy Prime Minister and Finance Minister Nasser Abdullah al-Rawdhan.

On the diplomatic front, Dr Mahathir reiterated Malaysia's stand vis-a-vis Kuwait's conflict with Iraq.

While Malaysia supported the United Nations move to help free Kuwait from the 1990 Iraqi invasion, Malaysia nevertheless does not like to see the people of Iraq suffer as a result of the international community's condemnation of the country's leader.

"Malaysia's position on this," Dr Mahathir said, "is that we do not like to see animosity between Islamic countries as this would weaken them and could lead to further erosion of the Islamic faith."

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