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Mahathir-Market

MALAYSIA AND MONGOLIA TO STEP UP BILATERAL TIES

By: Zulkefli Salleh

ULAN BATOR (Mongolia), Sept 9 (Bernama) -- Malaysia is positive that bilateral relations and cooperation with Mongolia could be further enhanced especially in business and trade based on "smart partnership".

Prime Minister Datuk Seri Dr Mahathir Mohamad, who had formal and informal discussions with his Mongolian counterpart, M.Enkhsaikhan, has identified potentials for closer relations and wider cooperation with Mongolia.

Foreign Minister Datuk Seri Abdullah Ahmad Badawi, briefing Malaysian journalists accompanying the Prime Minister on his four-day official visit to Mongolia which is embarking on economic reforms after the end of the "Cold War", said that Dr Mahathir also noted the strategic location of the north eastern Asian nation in terms of two vast markets -- China in the east and Russia in the west.

The Prime Minister, who arrived here yesterday, today led the Malaysian delegation in bilateral talks with the Mongolian delegation led by Enkhsaikhan at the Mongolian parliament house.

Abdullah said that the two countries agreed to enter into an air agreement, an important step towards enhancing ties.

The agreement, which allows Malaysia to mount flights to Ulan Bator, was signed by Transport Minister Datuk Seri Dr Ling Liong Sik and Mongolian Minister of Infrastructure G. Niamdava, witnessed by Dr Mahathir and Enkhsaikhan, after the bilateral talks.

Dr Ling said that under the agreement, Malaysia is allowed to carry 1,800 passengers a week between Malaysia and Mongolia via three intermediate points -- Beijing, Shanghai and Seoul -- and to Moscow, as a beyond point while Mongolia will have reciprocal rights with intermediate points, possibly Seoul as one of them, and Singapore as the beyond point.

Dr Ling said discussions on the details would begin immediately but initially, Malaysia would try the code share arrangement with Mongolia instead of launching flights there because it did not want "to eat into" Mongolia's market share.

Malaysia Airlines (MAS) now flies six times to Beijing where MAS and the Mongolian airline, MIAT, could shift passengers, he said.

Dr Mahathir also witnessed the signing of an agreement on economic, scientific, technical and cultural cooperation between the two countries signed by Abdullah and Mongolia's Minister of External Affairs SH Altengeral, and a memorandum of understanding on scientific and technical cooperation on palm oil application in Mongolia, signed by Primary Industries Ministry Secretary-General Datuk Harun Siraj and B. Khukenkhu, the executive chairman of Khunstex Technology, a Mongolian food-processing company.

Abdullah said that Dr Mahathir and his Mongolian counterpart also agreed that Malaysia and Mongolia carry out a feasibility study on the setting up of an inland port in Mongolia to overcome the problem of transportation of goods.

Since landlocked Mongolia has no sea port, transportation is a problem but transportation of goods by railway which is already in existence in the country, is a good way to increase trade activities.

In this regard, Dr Mahathir had briefed his Mongolian counterpart on the proposed Trans-Asia railway running from Singapore through Malaysia to Kungming, China and Europe, he added.

Later, addressing Mongolian businessmen and a 66-member Malaysian business delegation at a business luncheon, Dr Mahathir said that the business communities of the two countries should not be constrained by the notion that trade could not flourish between and among developing countries.

He said that Malaysia's total trade with other developing countries expanded by 13.6 per cent to US\$23.9 billion in 1995, while her total exports to the developing countries increased by 8.3 per cent to US\$13.9 billion.

As a group, developing countries accounted for 17.7 per cent of Malaysia's total world exports last year, he said.

Dr Mahathir urged the private sector of both countries to play a leading role in enhancing cooperation and trade between the two countries which is vital in a market system.

He said they should utilise the necessary framework to enhance business already put in place for the two countries in the form of the Investment Guarantee Agreement and Avoidance of Double Taxation Agreement which were signed in Kuala Lumpur in 1995.

Dr Mahathir hoped the Malaysian businessmen accompanying him and Mongolian businessmen would build upon the initial ties established during earlier visits by the Mongolian business delegation in July 1995 and in March last year.

Dr Mahathir noted that business ventures between Mongolians and Malaysians are already in place here. Mongolia's MM Holding Ltd has a number of joint ventures with Malaysia's Sriwani Holdings Berhad through MM Sriwani Co Ltd, for the construction and management of duty-free complexes.

Apart from that, Malaysia Mining Corporation (MMC), through a joint-venture arrangement with its Mongolian partners, will undertake the Egiin Hydro Electric Project, and agreements between the Monsonic Group of Mongolia and Optastar Sdn Bhd of Malaysia will lead to the supply of Malaysian refined sugar and rice to Monsonic Group, he said.

Dr Mahathir said Malaysia was following with great interest Mongolia's economic transition and welcomed the country's efforts to bring its economy into the mainstream of the world trading system.

Mongolia's move to accede to the World Trade Organisation is a testimony to this intent, he said.

The Prime Minister said he believed that Malaysia and Mongolia could raise their economic relation to a new level from the current low level of trade and the narrow range of products traded which he said is far below the potential that lies ahead.

Bilateral trade between Mongolia and Malaysia is about 0.32 per cent of Mongolia's total world trade last year. From US\$172,000 in 1990, total trade between the two countries increased to US\$2.715 million last year.

Malaysia's export to Mongolia was US\$1.58 million last year, while imports amounted to US\$1.14 million, he said.

Malaysia exports to Mongolia soap and cleansing preparation, furniture and parts, petroleum products, beverages, and heating and cooling equipment.

In the bilateral talks, Malaysia and Mongolia also agreed to enhance cooperation at the international level by helping and consulting each other on international issues from time to time, especially on the reform of the United Nations, and in activities related to the Non-Aligned Movement and the G-77.

Malaysia also agreed to extend training to Mongolians in the fields of mining, geology and electronics and other fields offered under the Malaysian Technical Cooperation Programme (MTCP).

Later in the afternoon, Dr Mahathir and his Mongolian counterpart

Enkhsaikhan officiated and toured a duty-free shop belonging to the joint-venture company MM Srwani Co Ltd, at the Buyant-Ukha International Airport.

Dr Mahathir, prior to attending the bilateral talks, called on the chairman of Mongolian parliament R.Gonchigdorj during which they agreed that the Malaysian and Mongolian parliaments foster cooperation including internationally under the International Parliamentary Union (IPU). --

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