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PM: Cuba ties to be forged despite risk (HL)

Kamarul Yunus in Havana (Cuba)

HAVANA (Cuba), Sun: Brushing aside differences in ideology and a possible backlash from certain quarters, Datuk Seri Dr Mahathir Mohamad said yesterday Malaysia "is prepared to take the risk" of forging trade ties with Cuba.

The Prime Minister said Cuba has great potential for growth and Malaysia wants to participate in its economic evolution.

"We are here in Cuba because we believe in constructive engagement that is aimed at enriching the economy of both countries," he said to Cuban businessmen at a luncheon organised by the Cuban Chamber of Commerce.

Dr Mahathir is on a four-day official visit to Cuba since Thursday.

Consistent with the realities of the current global economic environment, Dr Mahathir said Malaysia "has to seek new partnerships and linkages to grow its economy through trade and investments".

"It is in this light that Malaysia seeks new friends in this region and this visit marks our earnest desire to establish and develop mutual economic linkages with this country and the people," he added.

With the visit, Dr Mahathir has put in place the necessary framework to enhance bilateral trade and investment. The governments signed agreements on investment guarantee, trade and partial abolition of visa on Friday.

In addition, the recent opening of the Cuban Embassy in Kuala Lumpur will facilitate greater access and awareness of each other's needs and potentials, he said.

Encouraged by the economic and fiscal reforms undertaken by the Cuban Government, Dr Mahathir said Cuba's economic evolution in the past few years has been "remarkably positive, taking into consideration the exceptionally harsh conditions under which these results were achieved".

As Malaysian companies put their money in Cuba, Dr Mahathir said, "I would like to take this opportunity to reiterate our interest and readiness to participate in various sectors of development in Cuba."

Dr Mahathir also assured the Cubans that Malaysia will participate fully in the search for a more equitable and open world trading regime.

Bilateral trade, he noted, was still small because of the focus on very few products. Last year trade reached US\$612,000 (US\$1 = RM3.11), nearly 30 per cent lower than 1995.

The bulk of Cuba's exports to Malaysia is made up of industrial alcohol, while imports from Malaysia comprised mainly sound and telecommunication equipment and air conditioners.

Dr Mahathir urged Malaysian businessmen to look into areas such as medical, biotechnological and pharmaceutical research, agri-business and tourism-related activities.

He said Cuba is advanced in terms of medical research. It is not only a major manufacturer of interferons and vaccines but has generated treatment methods, medication and diagnostic equipment of world standards.

The Prime Minister said Malaysia can be a launching pad for these Cuban products and services in the Asean region which has a market of almost half a billion people.

"I am happy to note that a business arrangement has been made between Raza Manufacturing Bhd of Malaysia and Heber Biotech SA, the marketing arm of the Centre of Genetic Engineering and Biotechnology (CIGB) of Cuba.

"This project will initially undertake to market the CIGB range of pharmaceutical and diagnostic products in Malaysia," he said, adding it is

hoped the project will grow into a joint manufacturing and research facility, thus allowing for possible technological transfer from Cuba to Malaysia.

In agri-business and food-related industries, Dr Mahathir said Padi Beras Nasional Bhd (Bernas), a Malaysian rice production and trading company, has had an agreement with the Cuban Ministry of Foreign Trade and the Ministry of Agriculture.

Responding to questions from Malaysian journalists today, Dr Mahathir said the possibility of Malaysia facing US pressure because of the Government's decision to forge trade relations with the communist country is there.

"Like the Helms-Burton anti-Cuba law, we may be pressured for having trade relations with Cuba."

Dr Mahathir said the outside world, including Malaysia, has had a lot of misconceptions about Cuba.

"We have a wrong frequency of ideas regarding Cuba. When we read about Cuba, we are given the impression that the people drive old cars... from the 1950s, are poor and unemployed, and mostly loafers.

"However, we find the reports not true. We find the Government here has given due priority to certain sectors, including research, medicine and engineering which are very advanced and sophisticated.

"This is fascinating and surprised us. Actually, they have achieved excellence in various fields, especially in medicine and biotechnology."

The Cuban scientists have produced vaccine and medicine never heard of by Malaysians. "This is because of our attitude and perception... if the vaccine or medicine comes from countries like Cuba, we assume it is not of quality".

Dr Mahathir said perception was one of the issues raised during his discussions with Malaysian businessmen accompanying him.