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Dr Mahathir: We regret scrapping plans to help rebuild Lebanon

KUALA LUMPUR, Mon. - Prime Minister Datuk Seri Dr Mahathir Mohamad said tonight he regretted "very much" that Malaysia had to scrap plans to invest in Lebanon to help in its reconstruction because of the country's own economic problems.

He said when he visited Lebanon in June last year, businessmen accompanying him were keen then to participate in Lebanon's reconstruction following 15 years of civil war.

Speaking at a dinner he hosted for visiting Lebanese Prime Minister Rafic Hariri at his official residence Sri Perdana here, Dr Mahathir said: "Our business people thought that they could take up some of the projects you offered which would contribute to the rebuilding of Beirut and other parts of your country".

"But today we regret very much that we have to withdraw. The carpet has been pulled from under our feet. We no longer have the wherewithal to invest abroad," Dr Mahathir told Hariri, referring to the regional currency problems which have led to a sharp fall in Malaysia's economic fortunes over the past six months.

"In fact even in our own country our capacity to invest and develop has been diminished. Suddenly, after years of prosperity created by our own system and efforts we have been made poor, along with the other countries of Southeast Asia," he said.

Dr Mahathir rejected what he termed as the "self-righteousness and hypocrisy" of those who preached human rights who had branded Southeast Asian Governments as corrupt, indulging in cronyism and nepotism and that they were not transparent.

He also told Hariri, who is on his second visit to Malaysia: "You may have noticed during your last visit that the alleged oppressive, despotic and corrupt Governments that we have in this region had built prosperous countries and prosperous people."

In Malaysia's case, he added, there was no unemployment and so many jobs were created that workers from other countries flocked to Malaysia to share in its prosperity.

"If we had cronies and practised nepotism, then we must consider all the people of Malaysia as cronies and family members for all of them gained from the administration and policies of the Malaysian Government and indeed from the Governments of the tiger economies of Southeast Asia," he said.

He said the flight of capital at the height of the economic problem which began in July last year had taken away the wealth that had been built up, leaving the region practically destitute.

He added that both leaders wanted to see an expansion in trade between Kuala Lumpur and Beirut.

Foreign Minister Datuk Seri Abdullah Ahmad Badawi said towards this end, International Trade and Industry Minister Datuk Seri Rafidah Aziz would visit Lebanon this month. Her visit would also possibly see the signing of agreements on investment guarantee and avoidance of double taxation between the two countries.

In 1990, bilateral trade amounted to RM14 million, which increased to RM57 million in 1996.

Abdullah said Hariri had informed Dr Mahathir Lebanon and neighbouring Syria had agreed to abolish import duties.

"This is a new market for Malaysia if we can increase exports," he said. He said the Malaysian ambassador to Egypt would be accredited to Lebanon and one of his tasks would be to oversee efforts to increase bilateral trade.

Abdullah added as Beirut would be adopting an "open sky" policy in the year 2000, it was hoped Malaysia and Lebanon would expand air services to take advantage of this.

At present, Malaysia Airlines has two weekly flights to Beirut. MAS was the first Asian airline to fly to Beirut in January 1996.

The MoU signed earlier by the two Prime Ministers is to promote co-operation in the field of information between the two countries, especially in the exchange of TV and radio programmes.

A joint committee will be set up to implement the MoU and look into more avenues for co-operation.

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