

31 JUL 1998

Mahathir - cooperation

MAHATHIR'S VISIT TO MOZAMBIQUE FRUITFUL

By: Zulkefli Salleh

MAPUTO (MOZAMBIQUE), July 31 (Bernama) -- Malaysia and Mozambique today signed an agreement on economic, science, technical and cultural cooperation (ESTC) on the final day of Prime Minister Datuk Seri Dr Mahathir Mohamad's three-day visit here which the leaders of both countries have described as very successful.

The agreement, the second between Malaysia and Mozambique so far since President Joaquim Alberto Chissano visited Malaysia March last year, would pave the way for closer cooperation between the two countries.

Malaysia has in April last year signed the Bilateral Payment Agreement with the southern African republic and is expected to sign the Double Taxation Agreement (DTA) and the Investment Guarantee Agreement (IGA) soon to facilitate trade and investment between them.

Dr Mahathir told a joint press conference here with President Chissano before leaving for Kuala Lumpur that as a result of the visit, Malaysia and Mozambique have identified several areas of cooperation, particularly in agriculture.

"Agricultural scientists from both sides felt that it would be worthwhile for the two countries to cooperate in the field of research because in some of the areas in Mozambique, the climate is almost identical with that of Malaysia," the prime minister said.

"There should be some crops in Mozambique which we can avail ourselves, depending upon the researches," said Dr Mahathir, who visited a state agricultural research centre here yesterday.

He said Malaysia and Mozambique had also identified other areas of cooperation where both countries need to learn more about each other so as to increase cooperation.

Their cooperation in the banking sector had been paved by the Southern Bank Berhad which last year bought a 51 per cent stake in Banco Austral, one of Mozambique's leading banks with 196 branches, he said.

"Cooperation in the banking sector would contribute to financial capacity of Mozambique because financing would be needed for projects not only involving Malaysian enterprises but also to Mozambican businesses," he said.

Dr Mahathir and President Chissano last night launched the bank and its corporate logo at a grand ceremony featuring laser and fireworks displays at a leading hotel here.

The prime minister said Malaysia also had started going into Mozambique's housing development sector through a consortium comprising Malaysia's Bina Puri Holdings and Chase Perdana Berhad and Mozambique's SIR Group and the Maputo Municipal Council.

The consortium would develop a new township in Zimpeto here covering 375 hectares and consisting of 2,000 residential units, commercial buildings, shop houses, service stations and other commercially-viable properties.

Dr Mahathir also witnessed an agreement signing for the US\$50-million project at the same hotel.

Bina Puri was represented by its Group Managing Director Datuk Tee Hock Seng and Chase Perdana, its executive chairman Datuk Dr Mohan Swami.

The SIR Group was represented by its president Armade Chemane Camal Jr and Maputo mayor Artur Canana represented the council.

Of the project, Dr Mahathir said: "This is one area that Malaysia has

got some capability and work together with Mozambican business people as well as the municipality. It would be possible for us to provide better and more housing for the people here who are obviously in need of housing facilities."

Elaborating on his visit, Dr Mahathir said: "We have established good rapport with the government of Mozambique and we learned about the needs of Mozambique in terms of investment and the host has learned Malaysia's capacity and limitations."

Dr Mahathir said as a result of the visit, more contact visits would be conducted by cabinet ministers and government officials of both countries.

The prime minister said he was quite sure they would identify other areas of cooperation, including the production and importation of cashew nuts of which Mozambique is a major producer.

Malaysia, the prime minister said, was also keen on sourcing some of her needs from Mozambique because presently trade between the two countries was very much in Malaysia's favour.

"It is necessary for us to identify what we can import from Mozambique so as to reduce the imbalance in the trade," he said.

Malaysia's export to Mozambique totalled US\$1.73 million while imports stood at US\$5,037 last year.

Dr Mahathir also held another round of bilateral talks with Chissano and later met Mozambican cabinet ministers to explain the currency attacks on East Asian economies, including Malaysia.

During the meeting, Dr Mahathir said both sides identified reasons why the Mozambican currency did not come under attack by currency traders and that Malaysia could learn a lot from Mozambique in this respect.

Chissano told the press conference that his country looked up to Malaysia as Mozambique strived to bridge the economic gap between his people as consequences of apartheid.

"Only people close to Malaysia like us know that Malaysia is able to bring about an equitable society. I think this success in Malaysia we could emulate," he said.

Chissano said he now has a clearer understanding of the currency problem and the seriousness of the problem faced by Malaysia after being briefed by Dr Mahathir on the issue.

"But I am happy to notice that you (Malaysia) have people who are capable to deal with this issue and we hope you will overcome it," he said.

He said he was glad that Malaysia's economic problem did not prevent her from cementing technical and scientific cooperation with Mozambique.

Chissano was at the Maputo international airport to see Dr Mahathir and his entourage off.

-- BERNAMA

ZKS rn