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Malaysia, Iran agree to increase bilateral trade

MALAYSIA and Iran have agreed to increase bilateral trade and both countries will seek to explore areas of trade and investment such as the manufacture of car parts and components, machinery, agriculture products and electronics.

Minister of International Trade and Industry Datuk Seri Rafidah Aziz, who is on a four-day visit to Iran, held bilateral talks with her counterpart Mr Mohammad Shariatmadari.

Both discussed and agreed that the two countries have the potential to increase bilateral trade which stood at RM389 million in 1997.

Malaysia and Iran serve as the gateways for products to the Association of South-East Asian Nations (Asean) and CIS (Commonwealth of Independent States) markets respectively, said a statement from the ministry released in Kuala Lumpur yesterday.

Bandar Abbas in Iran has transport facilities and a Free Trade Zone which will enable Malaysia to explore the markets in the CIS. Malaysia, on the other hand, serves as a base to enable Iranian companies to enter the Asean market, the statement added.

Other issues discussed include the exchange of information and visits especially at the private sector level. The two ministers also agreed to sign the Investment Guarantee Agreement (IGA) when the Iranian Minister of Trade visits Malaysia.

On the first day of her visit which began on February 21, Rafidah paid a courtesy call on Iranian President Hojatoleslam Seyyed Mohammad Khatami.

The President welcomed the delegation headed by her which follows Prime Minister Datuk Seri Dr Mahathir Mohamad's visit during the Organisation of Islamic Countries summit meeting in Teheran in December last year.

Rafidah also brought up the issue of restriction on the use of palm oil in the production of vanaspati or vegetable ghee in the Iranian market. Another matter raised was the different import tariffs imposed on palm oil and other vegetable oils.

The Iranian Government agreed to look into these issues and at the same time, suggested the setting up of a palm oil refinery in Bandar Abbas to supply Iran and its neighbouring markets.

On cocoa, Rafidah urged the Iranian government to reduce the import tariff on cocoa seed imports as well as not to impose stringent conditions on imports.

A seminar on Malaysia-Iran trade is also expected to be held on February 23 and will be attended by some 200 Iranian businessmen.

Rafidah is expected to deliver the keynote address at the seminar.

Seventeen Malaysian companies represented by 24 businessmen have and will hold discussions with representatives of the Iranian business and industry from February 22 to 23.

(END)