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## Pacts with Uganda to boost trade relations

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DESPITE the economic downturn, Malaysia is still sought after by other countries for partnerships to enhance trade and economic cooperation.

Uganda is one such country. Yesterday, it signed two agreements on trade cooperation as well as collaboration in the field of economic, scientific and culture with Malaysia.

In addition, Malaysian businessmen were also invited to invest in Uganda, particularly in the manufacturing, agriculture, mining and tourism sectors.

This was conveyed by Uganda President Yoweri Kaguta Museveni, who met Prime Minister Datuk Seri Dr Mahathir Mohamad and attended the delegation meeting in Kuala Lumpur yesterday. Museveni was on a four-day State visit to Malaysia.

Foreign Minister Datuk Seri Abdullah Ahmad Badawi, who attended the meeting, told newsmen that Museveni had extended the invitation to Malaysian businessmen to invest in Uganda, especially in the production of local goods, as well as in the plantation sector such as planting cocoa and coffee.

"They are also interested to see more Malaysian investment in the hotel and tourism sector as well as in the mining of phosphate. The Uganda Government also wants us to help them in developing their human resources," he added.

In response to Uganda's requests for an increase in trade and investment cooperation between the two countries, Abdullah said the Prime Minister had indicated Malaysia's willingness to assist and invest in Uganda but this will depend on the capacity of investments by Malaysian companies.

"Dr Mahathir had explained that due to the current economic problems, Malaysia's investment capacity is currently much smaller because of the depreciation in the value of the ringgit against the US dollar," he added.

However, Abdullah said the Prime Minister had agreed to send a business delegation to be led by a Minister to seek business potentials in Uganda.

Malaysia has also offered its expertise in the energy and telecommunication sectors, and help Uganda implement their privatization programmes.

On investment, Abdullah said only one Malaysian company has invested in Uganda. This is Westmont Land (Asia) Bhd, which acquired a 51 per cent stake in Uganda Commercial Bank, the largest bank in Uganda, early this year.

On bilateral trade, Abdullah said total trade between the two countries reached RM17.5 million last year. There had been no trade all between 1992 and 1996.

Last year, Malaysia's exports amounted to RM14.01 million, against imports of RM3.49 million in the same year.

Malaysia's export items were radio-broadcast receivers, garments, furniture and parts, footwear and printed matter, which constituted 96.5 per cent of the country's total exports to Uganda.

Cotton and fresh, chilled or frozen fish accounted for 96.1 per cent of Malaysia's imports from Uganda.

International Trade and Industry Minister Datuk Seri Rafidah Aziz signed the trade cooperation agreement with Uganda's Minister of State for Planning and Economic Development, Sam K. Kutesa.

The agreement is aimed at expanding trade, economic and industrial

cooperation between the two countries.

The trade agreement will adopt various measures to facilitate trade relations between both countries through, among others, granting each other the "Most Favoured Nation Treatment" in matters relating to customs duties and foreign trade formalities.

The Agreement on Economic, Scientific and Culture Cooperation was signed by Abdullah and his Ugandan counterpart and First Deputy Prime Minister, Eriya Kategaya.

Bernamea reports: The Yang di-Pertuan Agong Tuanku Ja'afar yesterday lauded Uganda's outward-looking policies and reforms which have placed the country on a path of long-term growth and development.

As a result, Tuanku Ja'afar said, Uganda is now reaping the benefits of such policies leading to political and economic stability.

"This is how we also feel about the positive changes taking place elsewhere in Africa and the developing world," he said at a state banquet honouring visiting Ugandan President Yoweri Kaguta Museveni at Istana Negara in Kuala Lumpur.

Meanwhile, Museveni, in his speech, said Uganda wishes to encourage Malaysia to support the idea of a balanced trade "because there is no way one can talk of free trade when one still has protection in one's economy".

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