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PM: Growth the key to fair income distribution

KUALA LUMPUR, Thurs. - Prime Minister Datuk Seri Dr Mahathir Mohamad today said that the key to fair income distribution was to ensure that everyone got an equitable share of an enlarged cake - rather than trying to redistribute "the crumbs of a shrinking cake more evenly".

He said that meant that one segment of society was not deprived in order to help another and that redistribution would be from the new growth part.

Speaking at the official dinner he hosted for visiting Ethiopian Prime Minister Meles Zenawi, Dr Mahathir said the success of both countries' peoples depended on their ability to promote positive co-operation and co-existence among all their peoples and bridging the gap between different segments of their societies.

"This means that both countries attach high priority to promoting rapid and sustained economic growth for a better life for all our peoples.

"We are both multi-cultural countries and we believe in power-sharing as reflected in the consensus-seeking spirit underlying the concept of our Governments," Dr Mahathir said.

He said Ethiopia was among the first countries with which Malaysia established diplomatic relations following its independence and that the Malaysian embassy in Addis Ababa was set up in April 1965.

"Malaysia understands and sympathises with the pains and deprivation that Ethiopia has suffered because of the prolonged civil war which was aided and abetted by foreign interests.

"From being one of the world's most renowned civilisations, it is sad and regrettable that Ethiopia was a victim of such a tragedy."

Dr Mahathir said Malaysia's relations with Africa went a long way and began as early as 1961, when four years into its independence, its soldiers participated in United Nations peacekeeping operations in Congo.

He said in the spirit of South-South Cooperation, Malaysia would do its utmost to co-operate with Ethiopia in its efforts at national reconciliation.

Earlier, Foreign Minister Datuk Seri Abdullah Ahmad Badawi said Malaysia has agreed to provide technical training to Ethiopia under the Malaysian Technical Co-operation Programme.

"Dr Mahathir has offered training in fields as required by Ethiopia."

He told reporters this at a briefing at the Prime Minister's Department after a meeting between Malaysian and Ethiopian delegations led by Dr Mahathir and Zenawi.

Abdullah said three agreements were signed today. They were the Agreement on Economic, Scientific and Technical Co-operation; Agreement on Trade; and Agreement on Promotion and Protection of Investment.

Abdullah signed for Malaysia while Trade and Industry Minister Kasahun Ayele signed for Ethiopia.

Abdullah said Ethiopia expressed interest in Malaysia's experience in development, particularly in oil palm and rubber cultivation, adding that Malaysia would also help Ethiopia strengthen its agencies.

He said Zenawi informed the meeting that his country had for a long time faced many problems that had to do with both its neighbours and internal developments.

"Now they are free of those problems and are ready to forge relations with other countries, especially through economic co-operation.

"Dr Mahathir told the Ethiopian Prime Minister that at present it was

difficult for Malaysian investors to venture overseas owing to our own problems.

"Dr Mahathir also said Malaysia's steps to revive the economy had shown encouraging signs in that our reserves had gone up by US\$2 billion (RM7.6 billion) as had the trade surplus," Abdullah said.

Zenawi, who arrived last night for a five-day visit, was today accorded an official welcoming ceremony at Parliament Square here.

After he was greeted by Dr Mahathir, the national anthems of both countries were played by the Royal Malay Regiment Central Band led by Kapt Norman Kamaruddin.

Zenawi, accompanied by Dr Mahathir, then inspected a guard-of-honour mounted by 106 officers and men from the First Battalion of the Royal Malay Regiment commanded by Mejar Abdul Basit Abdul Rahman.

Zenawi was then introduced to Cabinet Ministers and members of the diplomatic corps.

Zenawi is also accompanied by a 43-member private sector delegation.

Tomorrow, he will deliver a keynote address at the National Chamber of Commerce and Industry Malaysia's Business Forum and attend a Businessmen's Dinner hosted by Telekom Malaysia.

Another highlight of the visit is a tour of the Kuala Lumpur City Centre.

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