

07 NOV 1999

Mahathir-Indonesia

INDONESIA WANTS PROBLEMS SOLVED THROUGH NEGOTIATION, SAYS MAHATHIR

KUALA LUMPUR, Nov 7 (Bernama) -- Prime Minister Datuk Seri Dr Mahathir Mohamad said today Indonesia feels that bilateral problems between the republic and Malaysia can be resolved through negotiations.

This was stated by Indonesian President Abdurrahman Wahid in his meeting with Dr Mahathir here yesterday.

"We (Malaysia) found that in terms of bilateral relations, there are not many changes, except that they (Indonesia) feel that any problem between Malaysia and Indonesia can be resolved through negotiations without referring to third parties," he told reporters at the Deepavali open house of Works Minister Datuk Seri S. Samy Vellu, here.

The bilateral problems between the two countries include the overlapping claims over the Ligitan and Sipadan islands.

Asked about his meeting with Abdurrahman, Dr Mahathir said their discussion was to touch base because Malaysia wanted to get to know the new Indonesian government better.

Abdurrahman, popularly known as Gus Dur, left for Myanmar this morning after a two-day working visit to Malaysia.

On Indonesia's request for additional credit for the purchase of rice, Dr Mahathir said Malaysia was quite prepared to extend the credit to the republic.

"We have been giving them some credit for the supply of rice. We have already sent one shipment worth about US\$50 million, but they need more, we are quite prepared to extend more credit to them," he said.

The prime minister said the credit facility was extended to Indonesia in the spirit of helping a neighbour.

Foreign Minister Datuk Seri Syed Hamid Albar, when briefing reporters after the Malaysia-Indonesia meeting yesterday, said Indonesia had requested for an additional US\$200 million to the US\$100 million credit line extended to it by Petronas to purchase rice.

Syed Hamid said Indonesia, the world's fourth most populous nation, used to be a net exporter of rice but was now unable to buy the commodity due to lack of foreign reserves as a result of the country's financial woes.

Asked if Malaysia would take more workers from Indonesia, Dr Mahathir said it would if there was a need, but at the moment there were enough workers in the country.

-- BERNAMA

AFY JK