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Malaysia-China accord on key issues (HL)

A. Kadir Jasin in Beijing

DATUK Seri Dr Mahathir Mohamad and his Chinese counterpart, Prime Minister Zhu Rongji, yesterday achieved agreement on several key bilateral and international issues at their two-hour meeting at the Great Hall of the People here.

The Prime Minister called on the Chinese leader soon after his arrival from Russia this afternoon.

Foreign Affairs Minister Datuk Seri Syed Hamid Albar, who briefed the Press after the meeting, said both leaders reaffirmed the close and cordial ties that existed between the two countries.

Zhu Rongji made a point to stress that Dr Mahathir was considered a good friend of China as amplified by his frequent visits. This is Dr Mahathir's fifth visit to China as Prime Minister.

The two leaders, among other things agreed to further facilitate business and holiday travel between the two countries.

For this reason, the Chinese Government agreed to Malaysia opening a consulate in Shanghai and would consider the request for another in Kunming.

Another significant agreement is for the establishment of a code of conduct on the South China Sea within the ambit of Asean-China dialogue as a way of overcoming disputes and differences among nations of the region.

Syed Hamid said both countries would like problems and differences arising out of claims and other territorial disputes in the South China Sea to be sorted out among Asean member states and China.

Malaysia and China do not want the involvement of outside powers in these disputes.

Dr Mahathir thanked China for its acceptance of the Southeast Asia Nuclear Free Zone, thereby making it the first nuclear power nation to agree to the concept.

The Prime Minister also expressed Malaysia's gratitude to China for promising not to devalue its currency and on its part reaffirmed its commitment to the one China policy.

Datuk Syed Hamid said the Chinese leader assured the Prime Minister that China had no plans to devalue its currency.

The Prime Minister, who is on a three-day working visit, and his counterpart also witnessed the signing of agreements among Chinese and Malaysian parties.

The first agreement was on scientific, engineering, and technological co-operation between the Academy of Sciences of Malaysia (ASM) and the Chinese Academy of Engineering.

A similar agreement was also signed between ASM and the Chinese Academy of Sciences.

Two Malaysian companies namely Lion Forest Industries Sdn Bhd and Innoprise Corporation Sdn Bhd and China Fuxin Pulp and Paper Industries Co Ltd signed a joint-venture agreement for the establishment of a forest plantation and pulp mill in Sabah.

The joint venture, which is 60 per cent owned by the Malaysian parties and the remainder by the Chinese, is expected to involve an investment of US\$1 billion (RM3.8 billion).

In a separate ceremony, Padiberas Nasional Bhd (Bernas) and China's National Cereals, Oils and Foodstuffs Import and Export Corporation signed a memorandum of understanding on counter/barter trade involving Chinese

rice and Malaysian palm oil.

Tomorrow the Prime Minister will fly to Dalian to meet President Jiang Zemin at the Bangchuitao Guest House.

At mid-day he will speak on the subject of "Malaysia-China Relations: Challenges and Opportunities in the 21st Century" at the third Malaysia-China Forum organised by the Asian Strategy and Leadership Institute (Asli) at China World Hotel.

Li Lanqing, one of China's four Vice-Premiers and member of the standing committee of the Politburo of the Communist Party of China, is expected to respond to the Prime Minister's address.

Organisers said some 700 participants will attend the luncheon meeting.

Diplomats, businessmen and observers saw the Prime Minister's visit as important as it happens at the time when the region is recovering from a serious economic crisis and is facing the challenges of globalisation.

Dr Mahathir's last visit to China was in 1996 when the Asian economy was still booming.

They expected Dr Mahathir to raise important points regarding Malaysia-China relations and the role the two nations can play at international forums such as the forthcoming Apec summit in Auckland, New Zealand.

The visit has an added meaning as Malaysia and China had just celebrated the 25th anniversary of the establishment of diplomatic relations between the two countries.

Malaysia became the first Asean country to establish diplomatic relations with the People's Republic of China following the historic visit to Beijing by then Prime Minister the late Tun Abdul Razak in May, 1974. The occasion is commemorated on May 31 every year.

The highlight of that occasion during Dr Mahathir's visit is a dinner hosted by the Malaysia-China Friendship Association at the China World Hotel tomorrow. Dr Mahathir is the patron of the association.

The Chinese side is expected to be represented at the celebration by Vice-Premier Qian Qichen who is also a member of the Politburo.

Dr Mahathir was greeted on his arrival at Beijing's old airport by Yang Wenchang, Vice Foreign Minister, Guang Denming, Chinese Ambassador to Malaysia and Datuk Abdul Majid Ahmad Khan, Malaysia's Ambassador to China.

Dr Mahathir departs Beijing for Ulan Ude in the Republic of Buryatia on Friday.

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