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PM's visit to China will strengthen ties

Kamarul Yunus in Beijing

BEIJING, Tues: The mutual understanding and cordial relationship between Beijing and Kuala Lumpur will expand and strengthen following the three-day official visit of Prime Minister Datuk Seri Dr Mahathir Mohamad to China starting tomorrow.

Dr Mahathir is scheduled to arrive in Beijing after a three-day working visit to the Russian province of Khabarovsk. His visit to China is considered as a move that will pave the way for greater cooperation in trade and economic ties between both countries.

Malaysian businessmen and entrepreneurs are taking the opportunity during the Prime Minister's trip to participate in an exhibition to promote Malaysian goods at one of the biggest shopping complexes in Beijing.

While in Beijing, Dr Mahathir is scheduled to officiate the launching of the exhibition at Parkson Store in Chang'an Avenue.

It is hoped that the exhibition will expose the Chinese - Beijing alone has a population of about 10 million - to Malaysian goods. This will help boost trade between Malaysia and China which is currently worth US\$4 billion (US\$1 = RM3.80).

Dr Mahathir's trip to China is at the invitation of the Chinese Prime Minister, in conjunction with the 25th anniversary of the establishment of diplomatic relations between Malaysia and China.

Dr Mahathir is expected to meet Chinese President Jiang Zemin in Dalian. Prior to this meeting, the Prime Minister will hold talks with his Chinese counterpart, Mr Zhu Rongji.

Dr Mahathir will discuss bilateral issues, especially trade and investment, during his meeting with Chinese premier. The two leaders are also expected to discuss the opening of Malaysia's consulate in Shanghai and joint venture projects, especially in the pulp and paper, and banking industries.

An agreement to set up a RM4.56 billion Sino-Malaysian pulp and paper mill is expected to be signed in conjunction with the Prime Minister's visit.

The mill will be set up in Kalabakan, Sabah. In August 1997, China and Malaysia signed a memorandum of understanding for the project. The joint venture will also involve the planting of acacia mangium, a fast-growing tree, on 220,000ha owned by Benta Wawasan Sdn Bhd, a subsidiary of Innoprise Corp Sdn Bhd, which is the investment arm of the Sabah Foundation.

The Sabah Government holds 60 per cent equity in the plantation project and the Chinese Government 40 per cent. For the mill, China will hold 60 per cent interest and Sabah the remaining 40 per cent.

The pulp mill will be the second in Sabah, after Sabah Forest Industries' pulp and paper mill in Sipitang which started operations in the early 1980s.

Dr Mahathir is scheduled to deliver a keynote address at the Third Malaysia-China Forum. He will speak on "Malaysia-China Relations: Challenges and Opportunities in the 21st Century".

The forum is jointly organised by the Asian Strategy and Leadership Institute and the China National Committee for Pacific Economic Cooperation.

Dr Mahathir will attend a dinner to commemorate the 25th anniversary of

the establishment of diplomatic relations between China and Malaysia. The two countries established ties on May 31 1974. On Friday, Dr Mahathir will proceed to Ulan Ude for a three-day working visit to the Russian province of Buryatia.

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