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Ties with Peru set to strengthen

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COMPARED to his predecessors on a tour of duty in Malaysia, Jorge Bayona was the longest-serving ambassador from Peru. When his seven-year term in Kuala Lumpur ended, Bayona's family asked why they had to leave so soon.

"My youngest son asked why he should go back. 'My life is here,' he said," Bayona told Business Times shortly before returning to Lima.

His son was five years old when the family arrived in Malaysia.

"The bigger part of his life was spent here. Seven years is a long time ... a few more years, we could have applied for permanent residency," he said jokingly.

His seven-year stint enabled him to witness for himself the changes the country underwent. "Many buildings I can see from the window of my office were not there when I first arrived. The hotel I stayed in, at that time, was one of the highest buildings in the city," he said.

The embassy, located at Wisma Selangor Dredging at Jalan Ampang, is only a five-minute walk away from the world's tallest building, the Kuala Lumpur City Centre's Twin Towers.

Besides the city's transformation, he also witnessed the growth in ties between the two governments. During his tour of duty here, Prime Minister Datuk Seri Dr Mahathir Mohamad visited Peru in 1995 while Peru president Alberto Fujimori made his first official visit to Malaysia in 1996.

It was also in 1996 that Malaysia opened its embassy in Lima. It was also the same year when Malaysian ambassador to Peru Datuk Mokhtar Selat was held hostage, along with other envoys, by the Tupac Amaru terrorist group at the residence of the Japanese ambassador in Lima.

While the incident made headlines around the world and is recorded in annals of history, it did not dent relations between the two countries. It continued to strengthen by leaps and bounds.

Bilateral trade remained small but Bayona said it has shown signs of vitality.

"We can pursue this (vitality) after the economic crisis is over. I do not see the crisis affecting Malaysia so much. You don't feel it ... that shows the fundamentals of Malaysian economy are very strong," he said.

Peru, he added, is so alike Malaysia, whereby its fundamentals are strong and is not shaken by the Brazilian economic and financial crisis. His country is now one of the world's largest producers of tin. The mineral is one of its exports to Malaysia.

Peru imports latex or rubber products, medical equipment, toys and palm oil from Malaysia.

"It is important to diversify our trade ... We hope next to export fish, fishmeal, canned fish and introduce our agricultural products such as asparagus and fruits to Malaysia and other South-East Asian countries."

In terms of investments, Bayona said Malaysian businessmen are already making inroads in Peru with ventures in five-star hotels and casinos and construction of highways and oil palm plantations.

Bordering five countries and the Pacific Ocean, the country serves as a natural gateway for business, tourism and trade to a continent of more than 300 million people.

As the third largest country in South America at 1.29 million sq km, it is the fourth most populous with 24 million people. The country's gross domestic product is about US\$60.6 billion (US\$1 = RM3.80).

Improved conditions in the country are some of the reasons why investors

are looking at the country for investment purposes. Bayona said there are ample areas for investments especially in plantations.

Peru has 53.5 million ha of tropical rainforest which can be converted into plantations. The Peru Government had recently signed an agreement with Ecuador to jointly develop an area surrounding the Amazon river, which is suitable for plantations.

Bayona said tourism is the nation's third largest source of foreign exchange. The goal is to reach a level of one million tourists by the year 2000.

The annual growth rate for this sector is projected at 15 per cent until the year 2000.

Upon his return home, Bayona said he will start a "process of readjustment" and later assume duties at the Peruvian Foreign Ministry. "Hopefully, it will be related in some way to Asian affairs," he said. He promised to visit Malaysia some day to see for himself the developments in the country.

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