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`Unwise to ignore small South nations' (HL)

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PETALING JAYA, Mon. - Malaysia's trade with small and weak countries of the South has generated RM90 billion in volume annually since the Government initiated approaches in this direction, Datuk Seri Dr Mahathir Mohamad said today.

The Prime Minister said this showed that one should not dismiss the potential of Malaysia or any other state..

He said Malaysia would widen trade links with other small countries as they might prove to be valuable business partners.

This was despite the belief that some countries of the South did not hold much potential, he added.

He said Malaysia considered these nations important in the development of its economy.

"I am confident that although we do not see any potential initially, we will get valuable information that can help increase trade if we study the situation carefully," he said at the Sultan Abdul Aziz Shah airport in Subang shortly after arriving from a week-long visit to Khabarovsk (Aug 16-18) and Buryatia (Aug 20-22) in Russia and China (Aug 18-20).

Among those present to welcome Dr Mahathir were Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi, Second Finance Minister Datuk Mustapa Mohamed, Domestic Trade and Consumer Affairs Minister Datuk Seri Megat Junid Megat Ayub, Information Minister Tan Sri Khalil Yaakub and Minister in the Prime Minister's Department Datuk Dr Abdul Hamid Othman.

Malaysia's trade with countries of the South increased from RM20 billion in 1990 to RM90 billion last year. The figure for the first half of the year is RM44.5 billion.

Dr Mahathir said some considered the move to establish economic ties with countries in the South several years ago as pointless as they felt it could not benefit Malaysia.

As a trading nation, he said, Malaysia also needed to expand its trading ties as it could no longer depend only on traditional trading partners.

To a question, he agreed that the benefits of establishing ties with the small states in Russia would be realised very much later.

"We will continue our ties with these states which are part of the Russian Federation (which comprises 89 states) and also the CIS countries (formerly under Soviet Union)," he said.

On the impact of his trip to Buryatia and Khabarovsk on ties with Russia, he said it would help improve relations with the latter.

"I think it will be good ... we can increase our ties not only with one part of Russia but the whole federation."

On his impressions of the two provinces, Dr Mahathir described the people as very friendly.

"But the state of their development, especially transportation, is still not adequate for them to improve communication with the rest of the world."

Describing his visit to the two states as successful, Dr Mahathir said trade and investment opportunities had been explored.

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