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Eight MoUs signed in Jakarta

Hardev Kaur in Jakarta

MALAYSIA and Indonesia signed eight memoranda of understanding yesterday aimed at further strengthening the bilateral relations.

The MoUs among others are in the banking and finance sector, infrastructure, information technology and computers, establishment of a multimedia super corridor in Indonesia, air services, oil palm refinery and oil and gas exploration.

The central banks of the two countries - Bank Negara Malaysia and Bank Indonesia - signed the MoU for bilateral payments arrangements (BPA) while the national carriers Malaysia Airlines and Garuda are keen to code share for passengers and co-operate in cargo and promotions.

Indonesia is keen to set up its own Multimedia Super Corridor. As an initial step, an MoU was signed between Malaysia's Multimedia Development Corporation (MDC) and Indonesian Konsortium Komisaris Indosat.

Prime Minister Datuk Seri Dr Mahathir Mohamad and Indonesian President Abdurrahman Wahid were present during the signing of the MOUs at the Presidential Palace in central Jakarta.

Dr Mahathir is the second Asean head of government to visit Indonesia since Abdurrahman was elected to office. However, in terms of significance and size the Malaysian business delegation is much larger than that led by Singapore's Prime Minister Goh Chok Tong in January.

More than 160 Malaysian businessmen and entrepreneurs are accompanying the Prime Minister on the visit. They are also seeking to strengthen economic and business ties and share their experience with their Indonesian counterparts.

Foreign Minister Datuk Seri Syed Hamid Albar said the discussions between the two delegations were held at three levels - between Dr Mahathir and President Abdurrahman; at the Foreign Ministers' level and between the economic ministers.

It was agreed that high-level meetings between the leaders of the two countries will be held once in six months and the venue will alternate between Indonesia and Malaysia. The next meeting will be held in Malaysia.

Dr Mahathir met Vice President Megawati Soekarnoputri on bilateral issues including economic recovery, education, agriculture and the impact of globalisation on developing countries like Malaysia and Indonesia.

Later, at a meeting with Malaysian students and the Malaysian community in Indonesia, Dr Mahathir spoke of political and economic developments in the country, including the recent general election.

A number of questions were raised seeking clarification among others on the freedom of speech, the attitude of Malaysian students, Malaysia's stand vis-a-vis Aceh and East Timor as well as the status of the East Asia Economic Caucus (EAEC) which was first proposed by Dr Mahathir some 11 years ago.

A student wanted to know whether Malaysia was seeking Indonesia's assistance to "establish relations with Israel".

On Aceh, Dr Mahathir reiterated that it was Indonesia's internal matter and that Malaysia will not interfere but was willing to be of some help if asked.

Just as Malaysia does not want others to interfere in its internal affairs so too it will not interfere in the domestic affairs of its neighbours. Malaysia's stand is that Aceh should remain part of Indonesia.

On Israel, the Prime Minister said Malaysia will not establish relations with Israel as "we support Palestine".

However, students from Israel have been brought to Malaysia to enable them to see for themselves the environment in the country and how Malaysians of different races are able to live harmoniously.

There are more than 1,700 Malaysian students in various Indonesian Universities. Some from Jogjakarta travelled 12 hours by train, standing all the way, just to be in Jakarta to see and hear the Prime Minister. Syed Hamid later told the Press that economic issues topped the agenda in all discussions. The Indonesians are keen to learn from Malaysia's experience in economic development and the handling of the economy during a crisis, such as the recent financial crisis and efforts to revive the economy.

President Abdurrahman is an admirer of Dr Mahathir and Malaysia for its independence in policies and solutions to the crisis and for standing up to the International Monetary Fund (IMF) and others who were opposed to Malaysia's remedies.

Indonesia is also interested in Malaysia's social engineering, the New Economic Policy (NEP), the equitable distribution of wealth, eradication of poverty and the removal of race distinction by profession.

Dr Mahathir, according to Syed Hamid, told the Indonesians that Malaysia "is willing to open our books" on investment laws in an effort to help Indonesia.

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