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Iran seeks greater trade relations

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IN THE five years since my posting to Malaysia, our two countries have seen an improvement in bilateral cooperation.

Given the enormous resources existing in both Iran and Malaysia, strategically located in West and East Asia, respectively, both sides should intensify efforts to build greater trade relations.

Despite a boost in bilateral trade in the early 1990s, particularly following the visit of Prime Minister Datuk Seri Dr Mahathir Mohamad to Iran in 1993 and the visit of President Hashemi Rafsanjani to Malaysia in 1994, we have not yet been able to enhance our trade relations to a desirable level.

However, this does not mean that we have done nothing. Effective measures have been taken by both sides to boost bilateral trade.

To introduce Iranian manufactured goods and other commodities to Malaysia, the Islamic Republic of Iran held four exclusive exhibitions in Kuala Lumpur. In 1994, we held a seminar in Kuala Lumpur on investment opportunities in Iran, and in the same year another seminar was organised to introduce Iran's motor vehicle industry. In this period, a number of trade missions were exchanged between our two countries.

In spite of these efforts, the present volume of bilateral trade does not measure up to our expectations. We believe both sides should work out new mechanisms to boost trade volume.

In 1996, trade between Iran and Malaysia reached US\$143.9 million, with Malaysia importing US\$50 million worth of goods and exporting goods worth US\$93.9 million. In 1997, due to the financial crisis in Asia, trade volume declined to US\$139 million, of which the value of Malaysian exports to Iran was US\$106 million.

In 1998, bilateral trade reached US\$104 million, with Malaysia winning a share of US\$84 million. It must be mentioned here that the trade balance has always been in Malaysia's favour.

It is also important to note that in the first half of 1999, total trade was US\$43.7 million, with Malaysia's exports accounting for US\$31.3 million.

As a Muslim nation in West Asia and a good friend of your country, I have keen interest in promoting amicable ties with Malaysia which is an important country in East Asia.

In the world today, the need to nurture greater cooperation among Muslim nations in addressing each other's requirements based on mutual interest is felt more than ever.

Although there has been a positive trend in our bilateral economic and trade cooperation since 1990, systematic recognition of the two countries' capabilities and resources will help both sides focus on trade opportunities and economic potential in Iran and Malaysia.

An exchange of trade missions between the two sides, including active participation in each other's trade fairs and exhibitions, is an effective means of realising our objective.

We should also expedite the establishment of a joint trade committee between Iran's Ministry of Commerce and the Malaysian Ministry of International Trade and Industry.

The two countries should also announce special weeks for introducing Iranian and Malaysian products by establishing a closer relationship between the chambers of commerce and trade or industrial associations.

The formation of a joint trade council between the Iranian Chamber of Commerce, Industry and Mines and the Malaysian National Chamber of Commerce and Industry will greatly help enhance cooperation and regular contact between the private sectors of both countries.

In this aspect, I would like to refer to a possible area of cooperation that will produce a lot of profit for Malaysian businessmen.

As Malaysia is a major importer of food products, it should look to the different types of fruits and vegetables grown in Iran. The best kind of pomegranates grow in our country.

The diversity of Iranian apples is unmatched in the world and the best type of garlic, a major ingredient in Malaysian food, can be found in Iran. A visiting high-ranking Malaysian official was once very surprised with the high quality of Iranian fruits.

Malaysian businessmen should venture into partnerships with the Iranian business community in packing and sorting. This sector should generate a lot of benefit for both Iranian and Malaysian traders.

Malaysia is a trading nation, and your people have developed special skills in business activities. Iran, meanwhile, is a large country with a sound and efficient infrastructure.

There are 15 countries in our neighbourhood with their special requirements and Iran is the only gateway to the prospective large markets of Central Asia. An enhancement of cooperation between our private companies will not only increase the volume of bilateral trade but will also create tremendous opportunities for developing joint ventures with third parties.

Iran has always supported the participation of Malaysian investors in various projects, including oil and gas, petrochemicals, mining, construction and power plants, shipbuilding, construction of palm oil refineries, agriculture, paper, chemicals, tourism, software and many more.

In this respect, we greatly appreciate the investment by Malaysian national oil company, Petronas, in our oil and gas projects.

We continue to buy palm oil from Malaysia and we seek your investment in Iran for the construction of a palm oil refinery and warehouses.

As you might be aware, the Islamic Republic of Iran has made new decisions on palm oil consumption standards. A special type of palm oil has been authorised for public consumption. Considering the increasing demand for palm oil in Iran, with its population of 60 million, and prospering markets in Central Asia and the Persian Gulf, the implementation of palm oil projects in the country is economically viable.

Coming to tourism, we have prepared a supportive environment for Malaysian investors in the hotel and related industries.

Malaysian pilgrims going for Umrah go to Jeddah via Teheran and Isfahan due to the competitive fares offered by the Iranian national airline, Iran Air. The carrier's direct flights from Kuala Lumpur to Teheran on Saturdays and Tuesdays carry a lot of Malaysian tourists.

Another area open for mutual exploration is power generation technology. You might be aware that Iran has achieved a high degree of success in developing its electricity production capacity. However, given the increasing demand in the country, we need to build new power plants.

The Iranian side is inviting Malaysian businessmen to consider the possibility of investing in the construction of power plants in Qazvin, Yazd, east Teheran, Kerman and Tabriz with the capacity of 1000 to 1100 MGWs.

As the Malay saying goes: "Tak kenal maka tak cinta" (As long as we don't know each other, we can never fall in love).

I have been in love with Malaysia ever since I set foot here five years

ago. The sympathetic and kind-hearted people of Malaysia have put a tremendous effort in the development of their country. Yet, they have not ignored their religious duties as a support for their life after death.

I am pleased to say that the amicable relationship our two countries have established has helped both sides overcome the minor problems that have cropped up from time to time in our bilateral relations.

With mutual understanding and political will, we have enhanced and will continue to enhance our relations and cooperation with the aim of bringing prosperity and a sense of pride to the two great nations of Iran and Malaysia.