

10/03/2000

KL, Jakarta ink 8 MOUs to boost bilateral ties

Hardev Kaur in Jakarta

JAKARTA, Thurs: Malaysia and Indonesia signed eight memorandums of understanding (MOUs) today to further strengthen bilateral relations.

The MOUs are for cooperation in the banking and finance sector, infrastructure projects, information technology (IT), establishment of a multimedia super corridor in Indonesia, air services, the setting up of a palm oil refinery and oil and gas exploration.

The central banks of the two countries, Bank Negara Malaysia and Bank Indonesia, signed a Bilateral Payments Arrangement (BPA) MOU while national carriers Malaysia Airlines and Garuda agree to pursue a code share pact and cooperate in cargo transport and joint promotions.

Indonesia is keen to set up its own multimedia super corridor, on which an MOU was signed between Malaysia's Multimedia Development Corp (MDC) and Indonesia's Konsortium Komisariss Indosat.

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

Dr Mahathir is the second Asean head of state to visit Indonesia since Abdurrahman took office. 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.

Foreign Minister Datuk Seri Syed Hamid Albar said discussions were held between Dr Mahathir and President Abdurrahman, as well as between the foreign ministers and also the economic ministers.

It was agreed that high-level meetings would be held every six months and the venue would alternate between Indonesia and Malaysia. The next meeting will be held in Malaysia.

Dr Mahathir also met Vice President Megawati Soekarnoputri and discussed bilateral issues such as economic recovery, education, agriculture and the impact of globalisation on developing countries.

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 elections.

Questions were posed include freedom of speech, the attitude of Malaysian students, Malaysia's stand vis-a-vis Aceh and East Timur 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 also 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 would not interfere but it is willing to offer help if asked.

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".

Students from Israel have, however, 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 in harmony.

There are more than 1,700 Malaysian students in various Indonesian

universities. Some of them, from as far as Jogjakarta, travelled 12 hours by train, and standing all the way, just to be in Jakarta to 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 the recent financial crisis, including efforts to revive business activity.

Abdurrahman is an admirer of Dr Mahathir and Malaysia for having pursued independent policies and solutions to the crisis and for standing up to the International Monetary Fund and other detractors.

Indonesia is also interested in Malaysia's New Economic Policy which pursues equitable distribution of wealth, eradication of poverty and the removal of identification of race with profession.

Dr Mahathir, according to Syed Hamid, also said that Malaysia "is willing to open our books" on investment laws and procedures to the Indonesians, and send advisers here. Alternatively, Indonesian officials are welcome to visit Malaysia.

Malaysia views its relations with Indonesia as the cornerstone of its foreign policy.

(END)