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Trade dealings boost to our ties with Iran

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KUALA LUMPUR, Fri. - Several trade dealings, including the signing of agreements, are being pursued by Malaysia and Iran to boost economic relations between the two countries.

Foreign Minister Datuk Seri Syed Hamid Albar said Iran was also inviting more Malaysian companies to invest there.

Syed Hamid said both Governments were making arrangements for Iranian President Mohammad Khatami to visit Malaysia at the invitation of the Yang di-Pertuan Agong.

He said this after receiving his Iranian counterpart Dr Kamal Kharrazi at Wisma Putra today.

Kamal, who is on a two-day visit, was accompanied by 11 senior officials from his ministry, the Petroleum Ministry and the Iran Chamber of Commerce.

Later, Kamal paid a courtesy call on Prime Minister Datuk Seri Dr Mahathir Mohamad at Putrajaya. Kamal is scheduled to visit Petronas, the Multimedia Super Corridor and the Islamic Arts Museum before departing on Sunday.

Syed Hamid said Kamal had conveyed Iran's interest in becoming a sectoral partner of ASEAN.

"However, we are unable to pursue this now as Asean membership is in moratorium. We will look into it at the right time," he said.

Iran is Malaysia's fourth largest trading partner from the Middle East. In 1999, trade between the two nations totalled RM521.1 million. Malaysia's main exports to Iran include natural rubber, raw plastic and palm oil.

The two ministers will also look into the progress of several agreements and memorandums of understanding, in particular one to be signed between Bank Negara and the Iran Central Bank.

Regarding a stalled Celcom project in Iran's capital of Isfahan, Syed Hamid said Kamal had assured him that steps had been taken to mobilise it.

Other major Malaysian entities currently having interests in Iran include Petronas, Bank Pertanian Malaysia, Federal Agriculture and Marketing Authority and the Fisheries Department.

"Petronas is also looking into other projects aside from its joint-venture oil exploration with Gazprom and Total," he said .

"We also asked for a reduction of the tax on palm oil," Syed Hamid said, adding that the Malaysian Government had invested millions in the training and introduction of facilities for Iran to import palm oil.

Syed Hamid said Kamal's visit was a chance for the countries to exchange views on Islamic matters as Iran is the chairman of the Organisation of Islamic Conference of which Malaysia is an active member.

They also discussed matters related to the Organisation of Islamic Countries' Foreign Ministers meeting in Kuala Lumpur in June.

On a separate issue, Syed Hamid said his recent visit to Myanmar was an eye-opener as the country was stable and sound for investment.

"Malaysian companies have investments totalling US\$500 million there, but some of the projects have stalled because of the economic slowdown," he said.

"Myanmar has expressed keen interest for more Malaysian investment and we discussed ways to overcome certain hurdles before more Malaysian companies could participate," he added.

He said one of the problems was Myanmar's weak banking sector. Syed Hamid said Myanmar had allocated around 40,000ha of land to be developed by Risda for palm oil cultivation.

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