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## Closer Malaysia-Indonesia ties

THE visit by Indonesian President Megawati Sukarnoputri will help to further strengthen the relationship between the two countries which already share a common bond especially in terms of culture, language and religion. Megawati's visit is a reassurance to Malaysia that Indonesia is on the road back to political and economic stability.

Although Indonesia still faces enormous problems in its efforts to uplift the living standards of its people, there are expectations that these problems can be overcome if there is an effective Government with strong leadership. Megawati, since taking over the leadership of her vast country, has shown that she is determined to lead Indonesia to play its rightful role in regional and international affairs.

Malaysia, being a close neighbour of Indonesia, is obviously concerned with what's happening there and we are happy to see political stability restored in Indonesia and investor confidence being strengthened. Megawati's meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad will certainly enhance bilateral relations in the political, security, economic, trade and other areas.

However, the new threat from extremist and militant groups which have cross-border links are common security concerns of the two countries which have been highlighted in the wake of Megawati's visit.

The two countries have recognised the limitations of dealing with the new threat alone and they have therefore agreed to enhance co-operation and share intelligence to fight the militant and extremist groups in the region. Malaysians, who have long enjoyed political stability and economic prosperity, are certainly disturbed that extremist elements from Malaysia are involved in violent acts in Indonesia.

These extremist groups are small in number and fortunately the police have managed to track them down before they can inflict further damage. The agreement to work closely to deal with the extremists and militants will help curtail any Indonesian nationals who come to Malaysia to participate in anti-Government activities.

Aside from security, another area the two countries can co-operate more closely in is that of economics and investment. Megawati has a major task ahead in improving and restoring the health of the Indonesian economy. To achieve this objective, a lot of investment is required and Malaysian companies can contribute by taking greater advantage of the investment opportunities in Indonesia.

Malaysian companies have already invested in oil palm plantations and investment in this sector can be increased further, given the big tracts of land still available in Indonesia for the crop and the large pool of labour there. But they can also look at other sectors to invest in.

As the Indonesian economy stabilises and its financial institutions strengthen, the purchasing power of its people will also become stronger and this will provide opportunities for the foreign investors.

But Malaysian companies who go to invest in Indonesia will have to take a long-term view if they are to benefit from the recovery in the Indonesian economy.

Malaysia has been hosting many Indonesians, both legal and illegal, and they have come here mainly because of the uncertain economic situation in their homeland. We hope that with the strengthening of the Indonesian economy, Indonesians will be able to enjoy economic security in their own

country and no longer need to go abroad to seek their fortune.  
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