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Vajpayee-Palm Oil

INDIA TO CONSIDER LOWERING IMPORT DUTY ON PALM OIL

PUTRAJAYA, May 14 (Bernama) -- India will consider lowering the import duty on palm oil but within its existing internal constraints, according to Malaysian Foreign Minister Datuk Seri Syed Hamid Albar.

"We have requested that palm oil be given a fair and balanced treatment like other oils by having its import duty reduced," he said when briefing reporters on the talks between visiting Indian Prime Minister Atal Bihari Vajpayee and Prime Minister Datuk Seri Dr Mahathir Mohamad here today.

India's import duty on palm oil at present is said to be 92.4 percent while that on soybean oil was 50.8 percent.

The wide disparity between the two rates was of great concern to Malaysia, he said.

Syed Hamid said India's view on this appeared positive.

Vajpayee arrived yesterday for a four-day official visit to Malaysia.

Malaysia and India today signed two bilateral agreements and five memorandum of understanding (MOU).

Apart from these, Syed Hamid said another nine MOUs would be signed by the private sectors of both countries. Vajpayee's delegation includes 75 representatives from the private sector.

Describing the talks between Dr Mahathir and the Indian leader as frank, constructive and productive, Syed Hamid said Vajpayee's visit would enhance the existing "good and strong" relationship between Malaysia and India.

He said India was also happy that both countries had recommenced joint-commission meetings last year and bilateral defence meetings this year.

The two leaders also touched on the need for Malaysia and India to work together in matters pertaining to the World Trade Organisation (WTO) and ensure that the interests of developing nations were protected, he said.

Both leaders acknowledged that bilateral trade was rather one-sided in Malaysia's favour, and for a fairer balance, Malaysia would award contracts to India, Syed Hamid said.

"One such contract is the double tracking and electrification of the Ipoh-Padang Besar railroad awarded to IRCON International Ltd of India. We hope this will rectify the imbalance", he said.

He said the contract was worth between five and RM6 billion and could be worked out on a counter-trade basis.

Syed Hamid said India was also happy with its cooperation with Petronas in oil exploration and it agreed to extend this cooperation to education, especially informatics.

India also agreed to collaborate with Malaysia on IT software and trading.

The discussions between the two Prime Ministers also dwelt on the need to enhance India's role as a dialogue partner with Asean.

"We are happy with India's positive role as a dialogue partner in Asean, as well as in regional security and hope this role will develop in a way that will benefit the Asean region," he added.

He said Vajpayee also explained to Dr Mahathir India's views on the US missile defence system.

Malaysia's stance was that there should be a reduction in the arms race.

As for the need for a new financial architecture, he said, "India had

always been forthcoming."

Syed Hamid said Vajpayee had invited Dr Mahathir to visit India.

-- BERNAMA

SHO KTC AAM