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KL, Manila to set up panel to resolve Sabah issue

Dzulkarnain Taib

THE Philippines and Malaysia have agreed to set up a panel to seek ways of resolving the decades-long claim on Sabah through cordial and peaceful means.

Philippines President Gloria Macapagal-Arroyo said, in her one-to-one discussion with Prime Minister Datuk Seri Dr Mahathir Mohamad, both parties had agreed to settle the issue amicably.

"Dr Mahathir and myself had a one-to-one meeting on this issue and we agreed to move forward towards cordial resolution of this issue.

"Of course he (Dr Mahathir) understand that we have to do this slowly; we would have to form a panel on how to approach this issue and carry out extensive consultations.

"All the details is still forthcoming and I will instruct our Secretary for Foreign Affairs to start work on that," Arroyo told a news conference in conjunction with her three-day visit to Malaysia. She arrived in Malaysia on Tuesday.

Asked on the basis of the Philippines' intervention in the Pulau Sipidan and Ligitan overlapping claim case involving Malaysia and Indonesia, Arroyo said the Philippines believed the country has a premise to do so.

"As long as the claim on Sabah is there, we believe we have a basis to enter an intervention in any international proceedings that have to do with the islands in that area," she noted.

The case pertaining to the claim to Pulau Sipidan and Ligitan off Sabah is currently before the International Court of Justice (ICJ) in The Hague.

During its "application for intervention" in July this year, the Philippines had requested that the documents which Malaysia and Indonesia had used to support their respective claims be surrendered to them.

Malaysia, however, had argued in its oral pleadings at the ICJ and showed that the Philippines had no basis in its application to intervene in the case.

Earlier, Arroyo delivered a keynote address at the Malaysia-Philippines Business Forum on Strengthening Economic Partnership, Harnessing Potential for Growth.

In her speech, she said Malaysia is the eighth largest trading partner of the Philippines, while the country ranks fourth as Asean supplier to Malaysia, after Singapore, Thailand and Indonesia. Philippines is also Malaysia's third largest market in Asean after Singapore and Thailand.

She said bilateral trade between both countries grew in the last five years by an average of 13 per cent especially in key industries such as electronics.

"Malaysia is an important source of foreign investments for our major industries such as in manufacturing, tourism and services.

"We welcome these investments and hope that more players will consider doing business in the Philippines, not only in these areas but also in information and communication technology, agriculture and agribusiness, energy and infrastructure," Arroyo said.

The Philippines President also said her government plans to make Mindanao as the gateway to Asean through the East Asia Growth Area.

She said there were many attractive investment opportunities in the southern region including palm oil and rubber plantations, halal food industry and infrastructure development.

She said her country was very appreciative of Malaysia's pivotal role in

the conclusion of a peace agreement between the two rebel groups in the southern Philippines region, Moro Islamic Liberation Front and Moro National Liberation Front.

A peaceful environment in Mindanao would open up opportunity for economic development and progress in the region she said.

"Whatever the mode of investment is, Malaysian investments will create jobs, jobs and more jobs for us which is our driving force.

"Help us with your expertise and experience and jobs; these will help bring us into the modernisation era of the 21st century," Arroyo said.

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