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BNM-KYRGYZ

BNM SIGNS MOU WITH CENTRAL BANK OF KYRGYZ TO FACILITATE TRADE

PUTRAJAYA, Aug 5 (Bernama) -- Bank Negara Malaysia (BNM) today signed a memorandum of understanding (MoU) with the National Bank of Kyrgyz Republic, to facilitate the promotion of trade and establishment of a correspondent banking relationship between the two countries under a bilateral payment arrangement (BPA).

A BPA agreement was also signed between BNM and the Joint Stock Commercial Bank "Kyrgyzstan" (JSCBK), Foreign Minister Datuk Seri Syed Hamid Albar told reporters after a meeting between Prime Minister Datuk Seri Dr Mahathir Mohamad and Kyrgyz President Askar Akayev here today.

This is Akayev's second visit to Malaysia, his first was in 1995.

For the MoU, BNM was represented by its governor Tan Sri Dr Zeti Akhtar Aziz while the Kyrgyz Republic was represented by its National Bank's chairman Ulan K. Sarbanov.

Meanwhile, the BPA agreement signatories were Dr Zeti, BNM's international department's director Tan Sook Peng, and JSCBK's chairman Sharipa Sady Bakasova.

Under the BPA, a settlement arrangement is established whereby the net trade balance between the two countries are settled in an agreed currency on periodic basis.

Kyrgyz, a country with a population of five million, of which 80 percent are Muslims depended very much on the agriculture sector, followed by tourism, financial and also small and medium enterprises (SMEs) for its growth.

In 2001, Malaysia exported goods worth US\$200,000 (US\$1=RM3.80) to Kyrgyz and imported goods worth US\$100,000.

BNM hoped that the BPA agreement will enhance bilateral co-operation between Malaysia and the Kyrgyz Republic in trade and banking.

The BPA has played a catalytic role in trade expansion between Malaysia and the BPA partner countries, helping Malaysia to diversify its export markets to include non-traditional destinations.

To-date, Malaysia has signed PBA's with 28 countries in Asia, Central and Eastern Europe, South America and Africa.

Also signed today was an agreement on cooperation between the Statistics Department of Malaysia and the National Statistical Committee of the Kyrgyz Republic.

Syed Hamid said that both Dr Mahathir and Akayev discussed various issues on how bilateral relationship could be enhanced further, especially in the area of economic cooperation.

The Kyrgyz president said that Kyrgyz regarded Malaysia as a model country in terms of development for the republic.

He said that Malaysia has sent economic experts from the Economic Planning Unit (EPU) to make proposals concerning the republic's economic development policy.

Syed Hamid said that the Kyrgyz president has described the 10-year economic plan as "Mahathir Economic Plan."

He said that Dr Mahathir has also agreed to encourage Malaysian companies to invest in the country as requested by the president and promised to continue to help in terms of expertise in the sector where they are required.

Syed Hamid said that such assistance would help Malaysia to expand its network and cooperation which would provide a lot of economic benefits.

"If we look at...through the LID (Langkawi International Dialogue), Petronas' presence in the African continent is so obvious, people now know of Malaysia's capability," he said.

Asked how much investment Malaysia has put in in Krygyz to-date, he said:"The most important thing is our presence there...for Krygyz, it is a good investment."

Currently, Malaysian companies in Krygyz are Mimos Bhd, The Safuan Group -- in the hotel business and joint venture flight services --, Sirim, and Malaysia Mining Corporation Bhd which is looking at opportunities in the gold mining sector.

Syed Hamid said that both leaders were satisfied with the maiden flight service from Bishkek, Krygyz to Kuala Lumpur tomorrow.

"This is the first flight from Bishkek to Kuala Lumpur using the air bus B300-62R which can carry 360 passengers and 6,000 kg of cargo. It's a joint-venture between the Safuan Group and KR International Airline," he said.

Asked weather the service would eventually be on a daily basis, Syed Hamid said that it would be a continuous one but for the moment there would only be two or three flights a week. -- BERNAMA

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