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Malaysia-Russia aviation and space agency to be established

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MALAYSIA and Russia will set up a joint aviation and space agency to further enhance co-operation, including the possibility of joint development and production of aircraft.

"This is something we have discussed with Russia and we agreed that we should take up the work together in this area," Prime Minister Datuk Seri Dr Mahathir Mohamad said.

Russia has very advanced technology in aeroplane construction and Malaysia, which is not as yet in a position to participate in the design and development of the new aircraft, has nevertheless built its own small aircraft.

Dr Mahathir did not elaborate but said Malaysia was already "producing components for passenger aircraft built by Boeing and Airbus".

A Malaysian company produces components for Airbus aircraft wings. The components are highly specialised and the contract is estimated to be worth no less than RM500 million.

Another Malaysian company, SME Aerospace Sdn Bhd, in addition to undertaking maintenance of Boeing aircraft also produces components for the US-based aircraft manufacturer.

It has a seven-year contract to produce parts for B767 worth RM200 million and it is expected to get another contract worth RM700 million.

In 1998, SME Aerospace Sdn Bhd also had a smaller contract to produce components for B757 and B767 for Japan's Shinmaywa.

In reply to a question from a Russian businessman on possible exchange of high tech products with Malaysia, Dr Mahathir said: "If we work together in this, it is possible for us to contribute towards lowering the cost of development and production of aircraft in Russia," he told participants of the Malaysian-Russian Business and Technology Forum.

Some 350 Malaysian and Russian captains of industry attended the forum held in conjunction with the Prime Minister's four-day official visit to Russia.

At present, Malaysia-Russian co-operation in the aviation and space fields has been limited to Malaysia using a Russian launcher for its satellite and buying Russian defence aircraft and equipment.

Russian President Vladimir Putin, after the meeting, had said "we have quite good relations... in the military and defence areas".

Malaysia had used a Russian launcher for its satellite and Putin said that further co-operation in this area, including the use of mobile launchers, was possible.

Malaysian experts have seen the high quality of Russian military, especially aviation, equipment, and Putin said Russian experts felt there was a possibility of developing trade and co-operation and creating "Malaysian scientific and production bases".

Russian businessmen also asked the Prime Minister about the unorthodox economic policies pursued to deal with financial crisis, his views on globalisation and the Government's role in planning and economic development.

He told the audience that the Malaysian Government believed in plans - five, 10 and even 30-year plans - and the need to monitor developments closely to be able to react to changing circumstances and external developments.

Dr Mahathir explained that during the financial crisis in 1997-1998 the

Government set up the National Economic Action Council (NEAC) to monitor daily the economic health of the economy.

On tourism and the possibility of direct MAS flights between Moscow and Kuala Lumpur, Dr Mahathir explained that the national carrier was being restructured, adding that it would be better for a start to have charter flights.

Once sufficient passenger traffic had been built on the sector, then both Aerofloat and Malaysia Airlines would operate flights between the two capitals.

"I hope you will work hard to send as many tourists as possible to Kuala Lumpur," he said.

Dr Mahathir also met 90 Malaysian students mainly studying medicine in Russia.

He advised them to come back to serve the nation, adding that even though the country did not have a shortage of medical experts, many preferred to join the private sector.

He told the students that Malaysia's medical facilities, and especially e-medicine, were among the best in the world.

He also reminded the students to "behave yourselves when you are in a foreign country".

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