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Huge potential for Russia-Malaysia business alliance

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MALAYSIA'S experience in the market economy and established infrastructure, coupled with Russia's wealth of scientific and technological resources, have provided the scope for smart partnership between the two countries, Prime Minister Datuk Seri Dr Mahathir Mohamad said.

There is tremendous potential for co-operation, especially in information technology, aerospace and trade and investment. New areas of co-operation could include education, culture and tourism.

"We should take the opportunity to explore new areas to enhance our relations on a broad-based, multi-faceted and mutually advantageous basis," Dr Mahathir said in his luncheon address.

Russian President Vladimir Putin hosted the luncheon in conjunction with the Prime Minister's first official visit to the Russian Federation. Earlier the two leaders held bilateral talks at the Kremlin followed by a meeting of the two delegations.

Dr Mahathir reaffirmed Malaysia's commitment to the spirit of friendship and co-operation, adding that the "frank and fruitful discussions... will chart the future course of our relations and bring it to new heights".

The two leaders have met twice during the Apec meetings - in Brunei in 2000 and in Shanghai last year.

The Prime Minister expressed his sincere gratitude for the "warm hospitality and excellent arrangements" and recalled "with fond memories" his first official visit in 1986. Dr Mahathir invited Putin to visit Malaysia and "allow me to reciprocate your kindness".

While he expressed happiness at the positive trend in trade and economic co-operation between the two countries during the last few years, Dr Mahathir said much more needed to be done to realise the full potential of trade.

Currently bilateral trade totals US\$300 million (RM1.14 billion) a year which has always been in Russia's favour. This, Dr Mahathir said, is "small given the size of the Russian market potential".

Thus, the private sectors of the two countries must be encouraged to explore a whole new range of products and establish mutually profitable linkages.

The chambers of commerce should play a more active role to promote and assist exporters and importers in identifying and sourcing the products and explore ways to engage in direct trading rather than through third countries.

In addition, the private sectors should look beyond their borders, to the economically dynamic and vibrant region of East Asia and Central Asia. Dr Mahathir told his hosts that Malaysia planned to extend its reach to the East and Central Asian region through railway connections with China.

This would pave the way for greater inter-changeability of goods and technology among countries in the region, with Russia being an integral part of it. Dr Mahathir said the prospects appeared even better with the eventual creation of an eastern corridor that would link Southeast Asia with East Asia.

The ensuing economic growth would in turn bring about a more stable and peaceful security environment in the region.

On the regional front, the Prime Minister expressed appreciation to Russia for its dynamic role in the Asean Regional Forum, the Post

Ministerial Conference and the Asean-Russia Joint Co-operation Committee.

Russia is a full dialogue partner of Asean and these meetings offer an opportunity for Russia and Asean, at ministerial and official level, to review contemporary political, security, economic and development co-operation issues affecting the two sides.

At the international level the two countries share many similar views. Dr Mahathir said Malaysia valued Russia's role in promoting international peace and stability.

Today the threat to international peace and stability comes from terrorism. Dr Mahathir explained to his host that Malaysia had been consistent in opposing all forms of terrorism and that such acts of terrorism must be condemned.

Malaysia strongly feels that terrorism should not be identified with any particular group of people or religion. That is why Malaysia is of the opinion that an international conference to discuss all aspects of terrorism is necessary. The conference would enable "us to define terrorism so that all such acts can be immediately recognised and condemned".

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