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Malaysia and Russia to form joint economic commission

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MALAYSIA and Russia have agreed to set up a joint economic commission and the Malaysia-Russia and Russia-Malaysia Business Councils which will follow up on the decisions reached at bilateral meetings in Moscow.

International Trade and Industry Minister Datuk Seri Rafidah Aziz said discussions among the leaders paved the way for "an important chapter in the relations of the two countries".

Prime Minister Datuk Seri Dr Mahathir Mohamad and President Vladimir Putin who "have very good chemistry between them" helped further improve "the existing good relations".

Areas of cooperation specifically mentioned by Putin and reiterated by Dr Mahathir were energy, biotechnology, prospecting and mining and space vehicles and IT, including the Multimedia Super Corridor.

Russia is also ready to participate in the construction of the hydropower project in Bakun.

According to Rafidah, the Russian President said: "We should strengthen the legal infrastructure framework, scientific and technical cooperation".

He proposed that there be a Memorandum of Understanding (MOU) in education.

Putin added that the two countries should increase bilateral trade to US\$500 million (RM1.9 billion) this year. Presently, bilateral trade is at US\$300 million.

Trade is in Russia's favour and is also conducted through third countries, Singapore, Dubai and others.

The President said the Federal Government supported the cooperation of the Far East regions of Russia and Siberia with Malaysia.

There is potential for joint ventures and cooperation as the Far East regions are rich in mineral resources and timber. Currently, a Sarawak based company, Rimbunan Hijau, has a timber concession in Khabarovsk.

On the investment front, the discussions on the Investment Guarantee Agreement (IGA) and the Double Taxation Avoidance (DTA) agreements, need to be pursued to further encourage joint ventures and increase investments.

Malaysian investments in Russia are in timber, offshore exploration and rubber, snacks and technical cooperation between Sirim and its Russian counterpart, GOST.

Rafidah said Malaysia agreed to support Russia's application for accession to the World Trade Organisation (WTO).

Meanwhile, the joint statement issued at the end of the high level bilateral discussions, the two leaders agreed:

- * To further encourage and strengthen cooperation in the fields of economics, science and technology, education and culture and to diversify trade and investment ties.

- * To encourage visits to and from both countries; among the government and business sectors at all levels.

- * To explore the possibility of forming an appropriate legal mechanism for stepping up bilateral cooperation in all aspects.

- * To work towards shaping a just and multi-polar world based on principles of international law and equality, mutual respect for the sovereignty of individual countries and cooperation to ensure global stability in the political, economic and social sphere; and

- * To combat international terrorism through information sharing.

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