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More room to work together

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RELATIONS between Russia and Malaysia have never been better, but it is also clear that there are many potential areas of cooperation begging to be explored. This is understandable. It was only about a decade ago that Russia abandoned communism and began shifting to a market economy.

The former Soviet republic still suffers growing pains of the transition but it has settled down sufficiently to show glimpses of sparkling opportunities. With high-level Russian-Malaysian ties growing stronger, this is a good time for the two countries to sow the seeds of cooperation in new fields.

In this respect, Prime Minister Datuk Seri Dr Mahathir Mohamad's visit to Russia last March is widely regarded as a major turning point; a Russian Foreign Affairs Ministry spokesman described it as a 'signal event in bilateral relations'.

Dr Mahathir's meeting in the Kremlin on March 14 with Russian President Vladimir Putin covered an array of subjects and issues - science and technology, education, culture, tourism, terrorism, the Middle East, among other things.

A crucial theme of their discussion was the exploration of avenues for diversifying economic relations. There is certainly a lot more business which can be conducted between the two countries. And the time is ripe for the private sectors of Russia and Malaysia to widen their interaction.

It is telling that Dr Mahathir was accompanied by Malaysian businessmen on this trip. A highlight of the visit was a business and technology forum organised by the Asian Strategy and Leadership Institute and Russia-Asean Cooperation Fund.

In his speech at a luncheon hosted by Putin, Dr Mahathir pointed out that much more needed to be done to realise the full potential of Russian-Malaysian trade, which he said was very small given Russia's immense market potential.

'The private sector of both our countries must be encouraged to explore a whole new range of products and establish mutually profitable linkages,' he added. 'Our chambers of commerce should play a more active role to promote and assist our exporters and importers in identifying and sourcing for these products.'

'It would be mutually beneficial if our exporters and importers could explore ways to engage in direct trading rather than buying and selling their products through third countries. As business relations grow, our private sectors should also prepare themselves towards forming strategic alliances with a view to maximising each other's comparative advantage.'

Many of the Russian-Malaysian business opportunities are to do with technology. The idea is to create smart partnerships by combining Russia's wealth of scientific and technological resources with Malaysia's market economy experience and established commercial and industrial infrastructure.

Speaking to the media after the talks with Dr Mahathir, Putin noted that Malaysia accounted for almost a quarter of the world output of electronic and electrical appliances, making it a good partner for Russia in high-technology areas. As such, Russia is keen to work with Malaysia in fields such as aerospace, energy (including hydroelectricity), heavy engineering, information technology and biotechnology.

'Cooperation between Russia and Malaysia in the military-technical

sphere is making good headway. Malaysian specialists had a chance to see the high quality of Russian military hardware, including in aviation,' said the Russian President. 'Our specialists believe that it is possible to have not just trade relations, but to develop cooperation in this sphere. And that includes the creation of a scientific and production base in Malaysia.'