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Malaysia and Iran discuss possibility of pooling resources

PUTRAJAYA, Mon. - Malaysia and Iran today discussed the possibility of combining the wealth of Muslim countries under an "Islamic Union" to become a stronger force in the world economy.

The proposal was raised by Iranian President Mohammad Khatami during a closed-door meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad today.

Foreign Minister Datuk Seri Syed Hamid Albar, who briefed the Press, said Khatami proposed the idea, under which Muslim countries with strong economic and human resources could combine their capabilities to take part and become mainstream in global affairs.

He said the grouping would not be a discussion forum like the Organisation of Islamic Conference (OIC) but be able to bring economic benefit to the Muslim world.

"What we want is something we can develop that will bring benefit to all Islamic countries. A lot of Islamic countries have resources ... but no association as such."

He said the idea was still new and needed further discussion.

Khatami is on a three-day visit, his first to Malaysia, accompanied by a 90-member delegation, including ministers.

His meeting with Dr Mahathir lasted about an hour, after which they joined the delegates' meeting of ministers and officials of both countries.

Syed Hamid said both leaders discussed creating a positive image for Islam, which included inter-civilisational dialogues.

"Such dialogues create the understanding that Islam is a religion of peace, progress and development, not of destruction or aggression."

He said Malaysia had held many dialogues, citing as a recent example the Kuala Lumpur International Forum on Islam (Kalif 2002).

Both Dr Mahathir and Khatami also agreed the OIC should be the vehicle used in raising the image and stature of Islam.

Khatami had accepted Dr Mahathir's invitation to the Non-Aligned Movement Summit and the OIC Summit in February and October next year respectively, Syed Hamid said.

The use of the Islamic gold dinar as an alternative to the US dollar in trade was also raised by Dr Mahathir, and Iran expressed its interest and called for more countries to be involved in discussions.

Both leaders also shared the same views on Palestine, terrorism and the territorial sovereignty of Iraq in the face of a US threat of war.

"Both leaders agreed that war, sanctions and military action do not bring peace but instead harm innocent people.

"They agreed there should be more focus on peace, progress and development, and to look at the root causes of terrorism, such as poverty and injustice."

Describing talks between the two leaders and at the delegates' level as "productive and constructive", he said both countries would be co-operating in economics, trade, tourism, culture and arts, including film production.

Dr Mahathir and Khatami earlier witnessed the signing of two bilateral agreements and four memorandums of understanding.

The first agreement was an amendment to a 1992 agreement to avoid double taxation and to prevent fiscal evasion of income taxes.

The second was for the promotion and mutual protection of investments.

The four MoUs covered co-operation in tourism, developments in women and family, trade and information and communication technology.

Earlier today, Dr Mahathir and his wife Datuk Seri Dr Siti Hasmah Mohd Ali paid Khatami and his wife Zohreh Sadeqi a courtesy call at the Mandarin Oriental Hotel in Kuala Lumpur.

In the morning, Khatami was given a ceremonial welcome by the Yang di-Pertuan Agong Tuanku Syed Sirajuddin Syed Putra Jamalullail and Raja Permaisuri Agong Tuanku Fauziah Tengku Abdul Rashid at Parliament.

A 21-gun salute was fired in Khatami's honour. He also inspected a guard-of-honour mounted by 96 officers and men of the First Battalion of the Royal Malay Regiment.

Also present were Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi, Ministers and their wives.