

18/03/2003

Lots of scope for increasing trade with Brazil, says Dr M

Hardev Kaur

MALAYSIA and Brazil should encourage their private sectors to explore and establish mutually profitable linkages, said Prime Minister Datuk Seri Dr Mahathir Mohamad.

He pointed out that "there are tremendous potentials for co-operation, taking advantage of our respective strength and experiences".

Both countries have much to gain from closer economic and technological co-operation in information technology, biotechnology, space technology, aerospace, hydropower generation and agricultural, economic and technological co-operation.

In an address at a luncheon hosted by Brazilian President Luiz Inacio Lula da Silva yesterday, Dr Mahathir noted that Malaysia and Brazil were emerging economies with almost similar levels of development. He hoped his visit would generate a greater flow of trade and investment between the two countries.

Dr Mahathir, accompanied by Datuk Seri Dr Siti Hasmah Mohd Ali, is leading a 37-member delegation on his second official visit to Brazil. His first official visit was in 1991.

Among those in the delegation are Deputy Foreign Minister Datuk Dr Leo Michael Toyad, Foreign Ministry deputy secretary-general Datuk Abdul Aziz Mohamad and Malaysian Ambassador to Brazil Tai Kat Meng.

While Brazil continues to be Malaysia's largest trading partner in South America, the trade constitutes only a small percentage of their total trade volume. Last year, two-way trade stood at US\$639 million against US\$514 million in 2001.

Dr Mahathir, who is on the two-day official visit to Brazil at the invitation of Lula, said greater efforts should be made to increase trade.

He noted that many Malaysian business corporations had participated in various trade fairs in Brazil, particularly in Sao Paulo and in Rio de Janeiro.

"By participating in trade fairs, Malaysian businessmen are made aware of the various economic opportunities in Brazil.

"As Malaysian businessmen are being encouraged to seek business opportunities in Brazil, Brazilian businessmen are welcome to do likewise in Malaysia where opportunities abound," he told his hosts.

Dr Mahathir welcomed the establishment of the Malaysia-Brazil Business Council, set up two years ago, which includes big Brazilian corporations such as Avibras and Embraer.

On the investment front, Dr Mahathir expressed satisfaction that there were some Malaysian investments in Brazil, namely in the States of Amazonia, Para, Sao Paulo and in Parana. They range from a timber complex to rubber gloves and security seals. He, nevertheless, hoped there would be more Malaysian investments in Brazil.

High level of visits need to be sustained by both countries and they need to promote more intensive contacts and interactions between the peoples, specially between government and business leaders, scientists, sportsmen and youth.

In this respect, Dr Mahathir said Malaysia was happy that the Brazilian football team chose Malaysia last year to acclimatise themselves before the World Cup tournament in South Korea and Japan. The friendly match between the Malaysian and Brazilian teams in Kuala Lumpur contributed to the greater consciousness and awareness among the youth of the two

countries.

On the uncertainties in the Middle East and the threat of war in Iraq, Dr Mahathir reiterated "there should be no unilateral approach to international issues disrupting the international peace and security".

"We strongly believe that problems should be resolved peacefully under the aegis of the United Nations and countries should not resort to war."

Earlier, Dr Mahathir was accorded a ceremonial welcome at the Palacio do Planalto. This was followed by a delegation meeting where the two sides exchanged views on the state of the bilateral, regional and international issues of mutual concern.

Dr Mahathir was pleased that generally "the two sides are in agreement that there is indeed great potential to further the scope and depth of our relations".

The Prime Minister commended Lula for "his benevolent policies and projects" being undertaken since his inauguration on Jan 1. Dr Mahathir noted that the "Zero Hunger Programme" and other policies would certainly benefit the most vulnerable in the Brazilian society. This is the first meeting of the two leaders since Lula took office.

Meanwhile, Bernama reports that Dr Mahathir and Dr Siti Hasmah, who were on holiday at the Manaus resort town in Central Amazon, were received at the airport here on Sunday evening by Toyad, Tai, senior Brazilian officials and ambassadors of Asean countries.

Dr Mahathir and Dr Siti Hasmah also attended a dinner hosted by Tai at his residence here.