

Compañía
de Teléfonos
de Chile

Correo Central
Casilla 16 - D
Santiago - 1



Santiago, Marzo 10 de 1993

Señor
Marcelo Trivelli Oyarzún
Presente

REPUBLICA DE CHILE			
PRESIDENCIA			
REGISTRO Y ARCHIVO			
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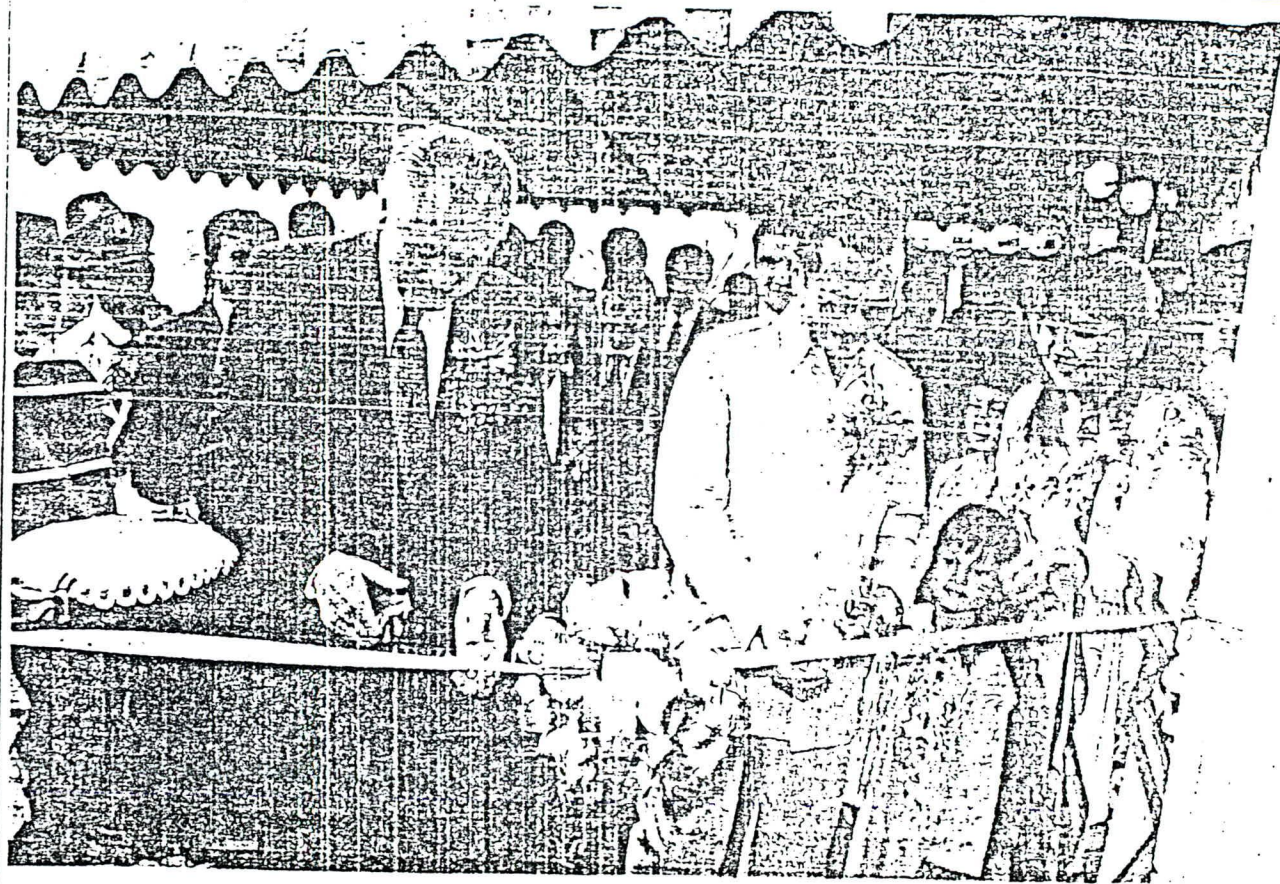
ARCHIVO

Estimado amigo,

Tengo el agrado de adjuntar fotocopias de los artículos de prensa que me enviaron desde Malasia, relacionados con la Gira Presidencial a Oriente.

Sin otro particular, le saluda atentamente,

SERGIO BADIOLA B.



Big step forward for South-South ties

THIS simple act of cutting a ribbon to open a shoe factory represents a major step forward for South-South co-operation.

Prime Minister Datuk Seri Dr Mahathir Mohamad and visiting Chilean President Patricio Aylwin Azocar further cemented the relations between their countries when they jointly opened the Kris Safety Footwear Sdn Bhd factory in Pandamaran,

Port Klang, yesterday.

The factory uses Chilean expertise, materials from India and Vietnam, and Malaysian workers.

In his speech, Dr Mahathir urged Chilean businessmen to actively participate in joint ventures with Malaysians in line with the Government's development policy.

He said Malaysians should not miss the golden opportunity to interact

with Chile and lay a firm foundation for the nation's progress towards developed status.

"Kris Safety Footwear is a good example that international business cooperation is not always limited to large multinationals," he said.

Dr Mahathir hoped that the move would encourage more small companies to go into joint venture business with other

countries.

He was pleased to note that Kris Footwear's production for next year had been sold.

Aylwin said the joint venture would pave the way for more such businesses between the two countries.

He said Chile would give full support to business ties with Malaysians.

— STARpic by ABDUL-LAH SUBIR

Chilean head of state on four-day visit

By ZULKIFLI TALIB

KUALA LUMPUR: President Patricio Aylwin Azocar arrived here yesterday for a four-day official visit, the first by a Chilean head of state.

Aylwin, accompanied by wife Leonor Oyazzun, was accompanied by a 110-member delegation which included three ministers, a deputy minister, four parliamentarians, 50 businessmen and a press corps.

The ministers accompanying him are Foreign Minister Enrique Silva Cimma, Minister of Economy Jorge Marshall and Minister of Transport and Communication German Molina.

The Chilean first couple were met by Prime Minister Datuk Seri Dr Ma-

hathir Mohamad and Datuk Seri Dr Siti Hasmah Ali at the Kuala Lumpur International Airport.

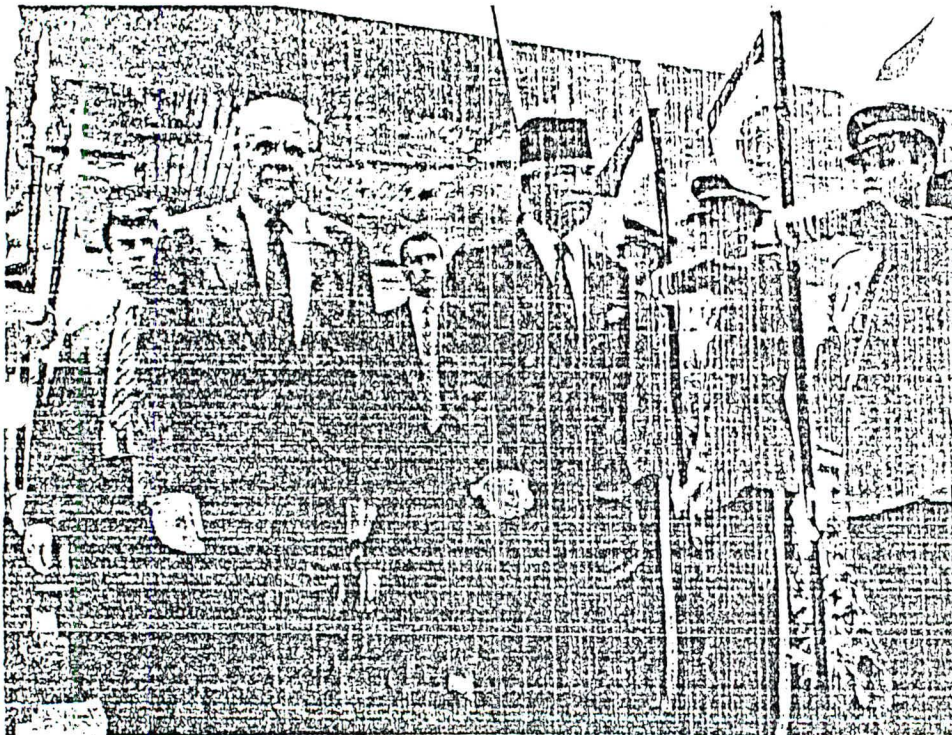
They later proceeded to Parliament Square where Aylwin was greeted by the Yang di-Pertuan Agong Sultan Azlan Shah and Tuanku Bainun for the ceremonial welcome.

The Chilean president was accorded a 21 gun salute while he inspected a guard of honour mounted by 116 officers and men of the 1st Royal Malay Regiment.

Aylwin's visit here at the invitation of Sultan Azlan Shah is expected to enhance bilateral trade and co-operation between both countries.

Trade has been on the increase in recent years

● TURN TO PAGE 2



RED CARPET WELCOME ... the King accompanying President Aylwin from the royal dais after the welcoming ceremony at Parliament Square yesterday. — STARpic by VICTOR K.K. NG

Chilean visitors to sign two pacts

● FROM PAGE ONE

with \$379 million traded last year and \$230 million in the first six months of this year.

Chile, a country of about 13 million, is the first market for Malaysian products in Latin-America while Malaysia is its principal market in Asean.

Malaysia's main exports to the country are petroleum and telecommunication products, rubber, electrical items and processed food.

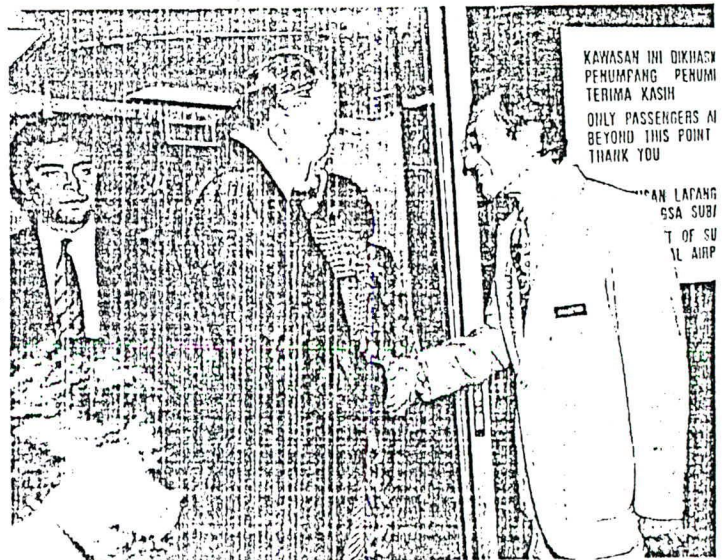
Chile's exports mainly copper and fish.

Two agreements are also expected to be signed during the visit.

The first is on investment guarantee which will ensure the support of both governments on two-way investment and the other a cultural exchange agreement.

During his visit, Aylwin will hold bilateral talks with Dr Mahathir, give a talk entitled *Co-operation in the Pacific: Chilean Perspective* at the Institute of Strategic and International Studies and attend a briefing at the Economic Planning Unit.

Both Aylwin and Dr Mahathir will also jointly open the first Chilean-Malaysia joint venture here — Kris Industry Safety Footwear factory — in Port Klang.



GREETINGS ... Dr Mahathir welcoming Aylwin at the Subang airport yesterday

NST
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OYL to spend \$30mil on its expansion

OYL Industries Bhd will invest more than \$30 million in its expansion exercise.

It will expand to China and other Southeast Asian countries over the next 24 months.

Chairman Tun Omar Yoke Lin Ong said yesterday, the group was now negotiating with several parties to set up manufacturing and marketing facilities in Indonesia, Thailand and the Philippines.

OYL is in the final stage of concluding an agreement with an interested party to manufacture and market air-conditioners in Indonesia.

In China, it has set up a joint venture company Shenzhen OYL Electrical Co Ltd, which has a paid-up capital of US\$5 million (\$12.5 million), to manufacture air-conditioners and accessories.

Omar said the Chinese joint venture was scheduled to begin commercial production at the end of next year and was expected to record a turnover of \$50 million during its first year of operation.

"Under a long-term plan, we (OYL) are going international."

The company wants to expand its manufacturing and marketing facilities to East Asia — from Korea to Indonesia, including the coastal area of China — which is the fastest growing zone.

In 25 years, we anticipate that the Gross Domestic Product of this East Asia zone will be "equivalent" to the combined size of the European Community and North American Free Trade Agreement of today.

Despite the expansion in the Southeast Asian region, Malaysia will be the centre for research and development, and also for management.

Besides Shenzhen, Omar said OYL is also planning to undertake other projects in the interior parts of China.

About 60 per cent of group earnings are from overseas as 60 per cent of its products are for the export market.

TWO AGREEMENTS TO BE SIGNED

Chilean leader's visit enhances ties

By FAUZIAH ISMAIL

POLITICAL and trade ties between two South-South countries, Malaysia and Chile, are further cemented and enhanced with the first state visit to the country by Chilean President Patricio Aylwin Azocar.

Aylwin's visit will see the signing of two agreements — an investment guarantee agreement and a cultural exchange agreement — to pave the way for greater trade, investment and cultural flows between the two countries.

The President and Chilean First Lady Leonor Oyarzun de Aylwin arrived in Kuala Lumpur yesterday with a 140-member entourage comprising three ministers, one deputy minister, four parliamentarians and a host of businessmen and journalists.

They were met on arrival at the Kuala Lumpur International Airport in Subang by Prime Minister Datuk Seri Dr Mahathir Mohamad and his wife Datuk Seri Datin Paduka Dr Siti Hasman Mond Ali, Foreign Minister Datuk Abdullah Ahmad Badawi, Youth and Sports Minister Senator Datuk Annuar Musa and other government officials.

Among those in the President's entourage are External Affairs Minister Enrique Silva Cimma, Economic Minister Jorge Marshall, Transport and Telecommunications Minister German Molina and Deputy Finance Minister Jorge Rodriques.

They were later accorded a red carpet welcome at Parliament Square and were greeted on arrival by the Yang di-Pertuan Agong Sultan Azlan Shah and the Raja Permaisuri Agong Tuanku Bainun.

During his five-day visit, the President will give a talk on the Chilean perspective on cooperation in the Pacific at the Institute of Strategic and International Studies.

Aylwin, together with 15 top Chilean businessmen, will also visit the Economic



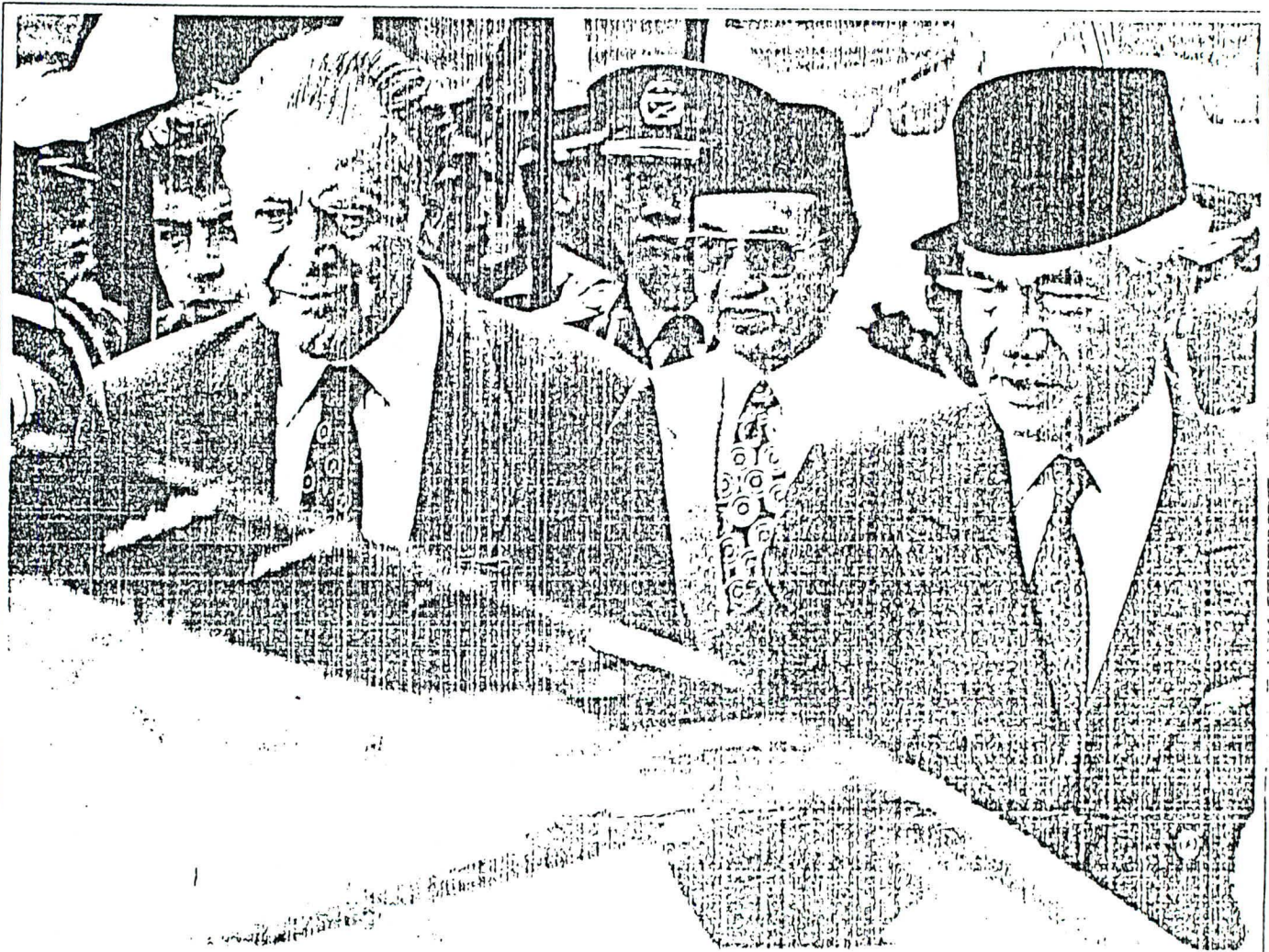
□ The King with Aylwin at Parliament Square.

the two countries' first joint venture company, Kris Footwear in Kuala Lumpur.

The ministers in the President's entourage will visit

ional Productivity Corporation in Petaling Jaya and the

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The Yang di-Pertuan Agong Sultan Azlan Shah with President Aylwin at yesterday's Parliament Square welcoming ceremony. With them is Prime Minister Datuk Seri Dr Mahathir Mohamad. — NST picture by Goh Seng Chong.

Chilean President on four-day visit

By G. Danapal
and Juhaidi
Yean Abdullah

KUALA LUMPUR, Tues. — Chilean President Patricio Aylwin Azocar arrived here this morning on a four-day official visit with a 130-member entourage.

The first Latin American head of state to pay an official visit to Malaysia, he is accompanied by his wife, Mrs Leonor Oyarzun de Aylwin.

President Aylwin and his delegation were received at the Kuala Lumpur Interna-

tional Airport in Subang by Prime Minister Datuk Seri Dr Mahathir Mohamad and Datin Seri Dr Siti Hasmah Mohamed Ali soon after their plane touched down at 10.40am.

The delegation included three ministers, a deputy minister, four parliamentarians, a business group, two trade unionists and 30 journalists.

The ministers are Foreign Minister Enrique Silva Cimma, Economy Minister Jorge Marshall, Transport and Telecommunications Minister German Molina and Deputy Finance Minis-

ter Jorge Rodriguez.

The 50-member trade and business delegation, which includes some of Chile's leading entrepreneurs and investors, is led by Mr Jose Antonio Guzman, board chairman of the Confederation of Production and Commerce in Chile.

After a brief conversation with Dr Mahathir at the Bunga Rava room, the Chilean President and his entourage proceeded to Parliament Square where they were welcomed by the Yang di-Pertuan Agong Sultan Azlan Shah and the Raja Permaisuri Agong Tuanku

Baunin.

The national anthems of both countries were played by a 50-member band from the Royal Malay Regiment followed by a 21-gun salute.

The President, who arrived at Parliament Square at 11.55am, then inspected a guard-of-honour, mounted by 107 men from the 1st battalion of the Royal Malay Regiment led by Mejar Abdul Rahman Yah.

He was later introduced to Cabinet members and foreign dignitaries. Among those present was Transport Minister Datuk Seri Dr Ling Liong Sik, who is the

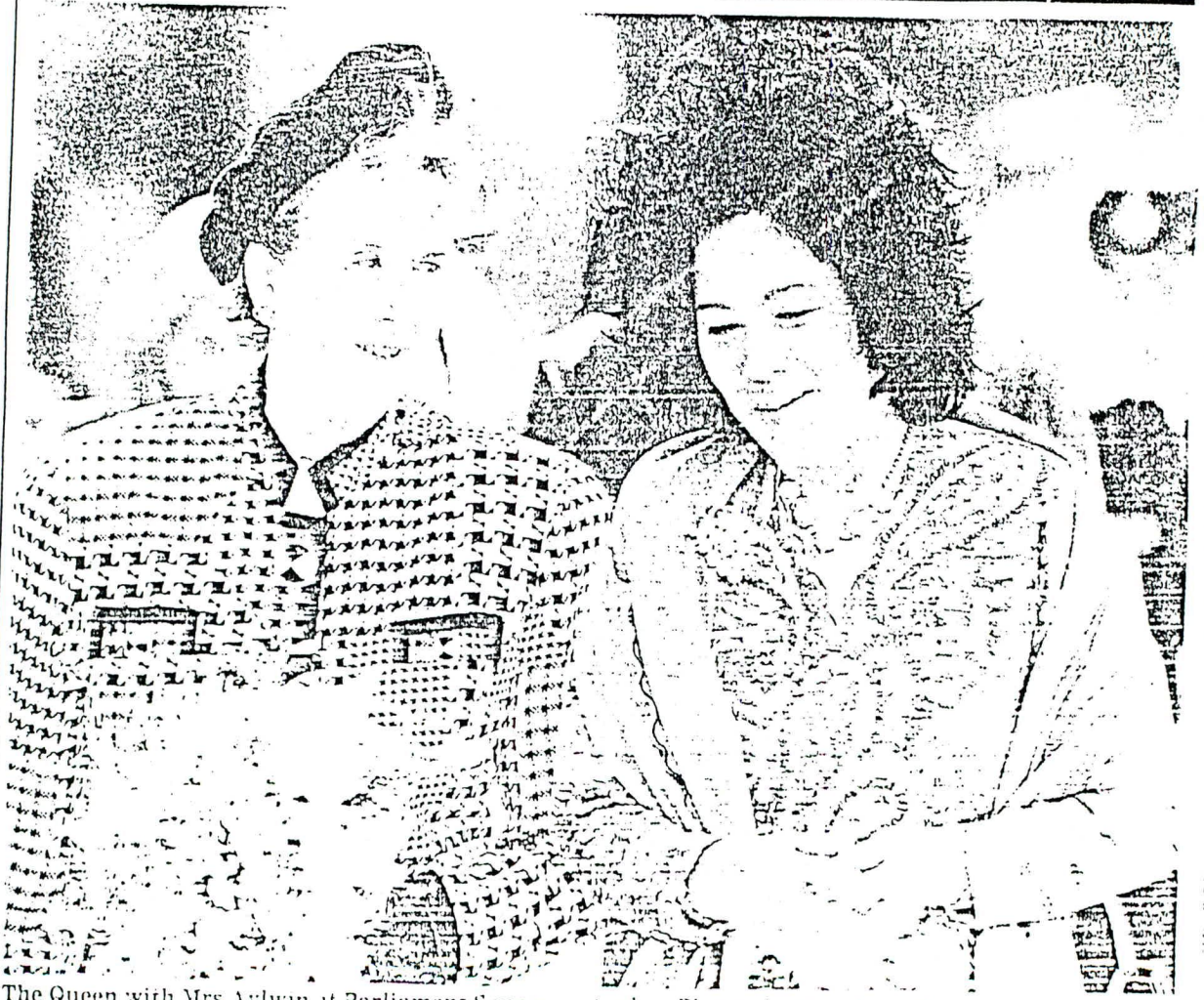
minister-in-attendance.

Highlights of President Aylwin's visit include the official opening of the first Chile-Malaysia joint venture — the Kris Industry Safety Footwear Bhd factory in Port Klang — to be jointly performed by Aylwin and Dr Mahathir on Thursday.

Tomorrow, the Chilean President is scheduled to meet Dr Mahathir at his office at 3pm.

He is also scheduled to present a talk on *Co-opera-*

□ PLEASE TURN TO
PAGE 2, COL 3



The Queen with Mrs. Aylwin at Parliament Square yesterday. Picture by Goh Seng Chong.

Investment guarantee agreement

□ FROM PAGE ONE

tion in the Pacific: A Chilean Perspective at the Institute of Strategic and International Studies (Isis) at 10am.

At 11am, he will visit the Economic Planning Unit in the Prime Minister's Department for a briefing. At 5pm, the delegation will attend a royal banquet hosted by the King.

Foreign Ministry secretary-general Tan Sri Ahmad Kamil Jaafar said the two countries would also be signing an investment guarantee and cultural exchange agreements tomorrow.

The investment guarantee agreement is expected to be signed by International Trade and Industry Minister Datuk Seri Rafidah Aziz and Cimma.

Aylwin: Malaysia-Chile ties a model for other countries

By Juhaldi Yean Abdullah

KUALA LUMPUR, Wed. — Relations between Chile and Malaysia can be a model for other countries in the Asia-Pacific region and South America, Chilean President Patricio Aylwin Azocar said today.

He said both countries, now experiencing much higher economic growth than most other developing nations, had much to gain by trading and forging closer economic ties.

For this reason, Prime Minister Datuk Seri Dr Mahathir Mohamad's visit to his country and other nations in South America last year — the first by a head of government from Southeast Asia — was significant, he added.

Describing existing relations between Chile and Malaysia as "a good example of South-South co-operation", President Aylwin said the similarities between the two nations had created prospects for growth over the next five to 10 years.

"Our countries have been too distant for centuries but in the last few years, we have witnessed an astounding



AYLWIN

— significant visit

growth in trade. Only a few years ago, Chileans hardly imagined that Malaysia could one day be its principal trading partner in Southeast Asia," he said.

Total trade between the two countries amounted to \$379.6 million in 1991, and \$133.18 in the first six months of this year. Malaysia exports petroleum, telecommunication receivers, rubber, electrical goods and textiles to Chile and imports mainly copper, alcohol and

phenol, marine products and fruits.

Delivering a talk on "Co-operation in the Pacific: A Chilean Perspective" at the Institute of Strategic and International Studies (ISIS) here, President Aylwin said the contacts between businessmen from both countries had been fruitful.

The talk, chaired by ISIS director-general Dr Noordin Sopiee, was attended by diplomats, academicians and the foreign Press.

However, President Aylwin said more could be done to improve trade and economic ties. He said he hoped to see more joint venture projects being established by businessmen from both countries.

On economic ties between countries in the Asia-Pacific and South America, President Aylwin said Chile, by virtue of its vast network with other Latin American nations, strong economy and political stability, could become an entry point for the marketing of products into the continent.

He said Chile was also looking forward to play an important role with regards to the Asia Pacific Economic Co-operation (Apec) by

promoting trade liberalisation.

As it was, he added, the Asia-Pacific region, which accounted for 30 per cent of Chile's export market, had already overtaken the European Community and the United States as its largest trading partner, with Japan being its principal trading nation in this region.

On North-South dialogue, President Aylwin said new approaches were necessary to overcome barriers that hampered co-operation between the developed and developing nations.

He said Chile had proposed that a world summit on social development be convened under the auspices of the United Nations.

The summit, which was proposed and endorsed in the last UN general assembly, was expected to be held in 1995 in Denmark, he said.

President Aylwin, accompanied by Youth and Sports Minister Datuk Annuar Musa, who is the minister-in-attendance, was later briefed on the progress of the Malaysian economy and government economic strategies by Economic Planning Unit director-general Datuk Ali Abdul Hassan Sulaiman.

\$10,000 boost for Tengku Budriah Home

KUALA LUMPUR, Wed. — Wife of Chilean President Mrs Leonor Oyarzun de Aylwin today donated \$10,000 to the Tengku Budriah Children Homes in Cheras after spending an hour with the children.

Accompanying her was the wife of Chilean Ambassador to Malaysia, Mrs Tony Lagos, wife of the Chilean counsellor Mrs Angelica de Damm and wife of its second secretary Mrs Monica Barriga.

They were welcomed at the home by National Unity and Social Development deputy Minister Datuk Alex Lee and his wife Datin Irene Lee.

The entourage were entertained to traditional dances performed by children of the home. They later toured the child care centre and its handicraft room.

Mrs Aylwin saw the abandoned



Infokraf director-general Datuk Sulaiman Othman showing Mrs Aylwin how to wear the kain samping yesterday. She was accompanied by her son.

infants and babies who were being housed at the home.

Later, the entourage went to Karyaneka where they were briefed on the function of the centre by its general

manager Encik Abdul Halim Daud.

The entourage were shown products ranging from batik, silverware, brassware, songket, basketry, pottery in traditional

and contemporary design.

Earlier, Mrs Aylwin, accompanied by her son, Jose Antonio, and the entourage visited Infokraf to get a closer look at Malaysian culture and its heritage.



The Yang di-Pertuan Agong Sultan Azlan Shah and the Raja Permaisuri Agong Tuanku Bainun look on as Dr Mahathir greets President and Mrs Aylwin before the State Banquet at the Istana Negara last night. — Bernama picture.

Santiago keen on palm oil, car deals

KUALA LUMPUR, Wed. — Chile has indicated its interest to buy Malaysian palm oil and has also proposed that the two countries cooperate in the motorcar manufacturing industry, Foreign Minister Datuk Abdullah Ahmad Badawi said today.

He said preliminary talks would be held by Malaysian and Chilean officials on these issues.

Speaking to reporters after Chilean President Patricio Aylwin Azocar and his delegation held talks with a

Malaysian delegation led by Prime Minister Datuk Seri Dr Mahathir Mohamad, Abdullah said:

"The discussions were in general and we hope to follow it up," he said.

Abdullah said the Chilean delegation which visited the Palm Oil Research Institute of Malaysia today was impressed with the quality of palm oil and its products.

He said he was unable to give the potential of the Chilean market but talks between officials of both countries would begin soon.

On the proposal to cooperate in the motorcar manufacturing sector he said it was too early to reveal details and added that further discussions would be held.

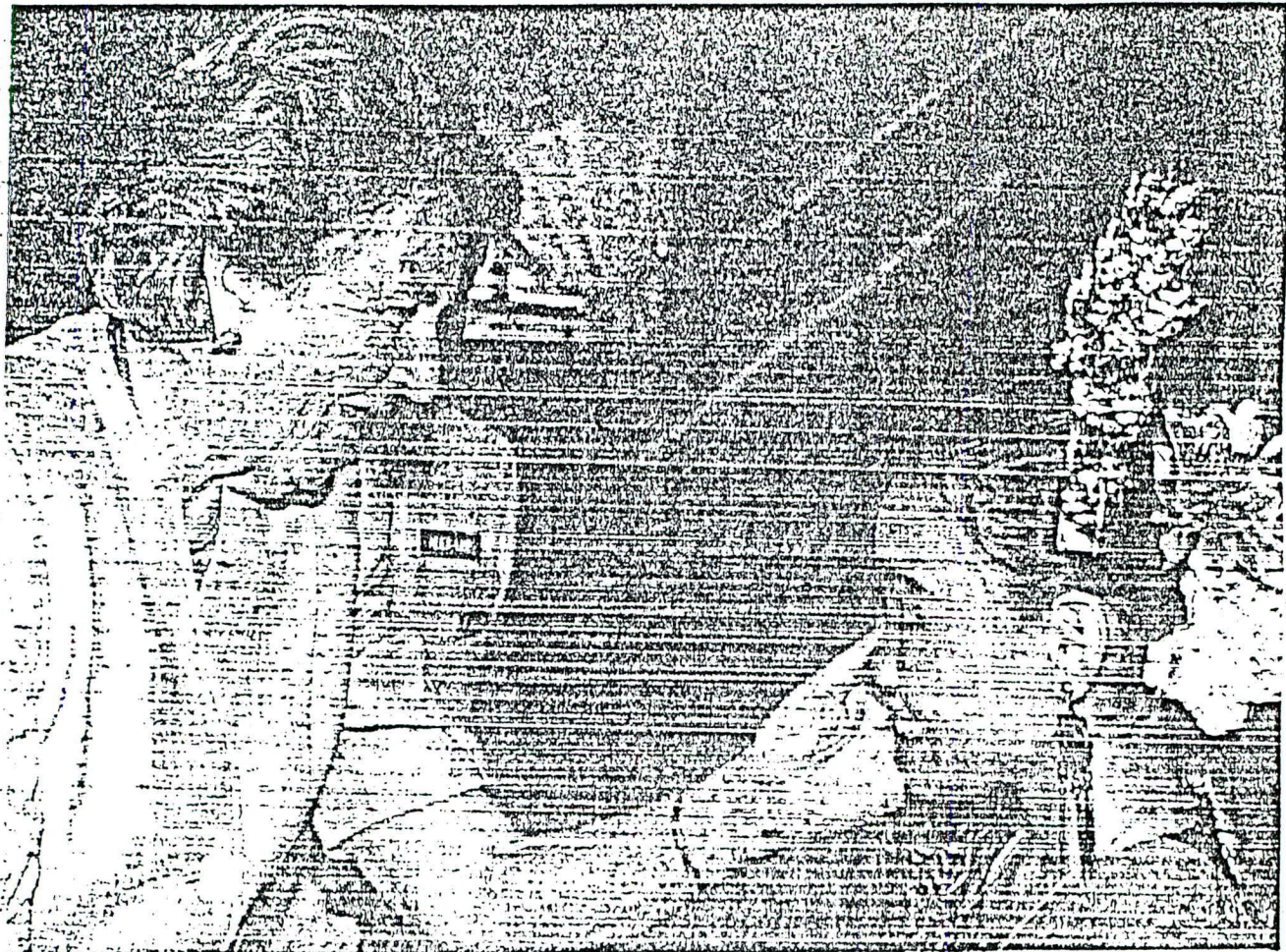
During the meeting between the two delegations, two agreements were signed to strengthen economic cooperation between both countries.

A cultural exchange agreement was signed between Abdullah and his Chilean counterpart Enrique Silva Cimma which calls for exchange of cultur-

al troupes and journalists.

An agreement for the promotion and protection of investments was signed by International Trade and Industry Minister Datuk Seri Rafidah Aziz and Cimma which aims to expand and deepen economic and industrial cooperation on a long term basis between the two countries.

The agreement also protects investments by investors of both countries apart from stimulating the flow of investment and individual business initiatives.



Home's sweet face

PRETTY FACE ... Madam Leonor Oyazzun, wife of the visiting Chilean president, is attracted to the beauty of a dancer during her visit to the Tengku Budriah Children's Home in Cheras, Kuala Lumpur, yesterday.

Children of the home who were dressed in Malay traditional costume welcomed the VIP visitor with the *kompang*.

After a briefing by Welfare Department director Drs Abou Bakar Aliar, Leonor toured the

home and met the inmates and saw how they made handicrafts.

Leonor presented a cheque for \$10,000 to the home.

Earlier, she called on the Prime Minister's wife, Datuk Seri Dr Siti Hasmah Ali, at *Sri Perdana* and then *Infokraf*, where she bought two bags.

President Aylwin, meanwhile, had a busy day. He spoke at *ISIS* and witnessed the signing of two agreements (see Page 2). —
STARpic by SAM CHEONG

Chile sets its sights on Asian markets

KUALA LUMPUR: Chile wants to use Malaysia as an access to the Asian market, Chilean president Patricio Aylwin Azocar said here yesterday.

He said the Pacific market constituted 30 per cent of Chile's exports and Japan was its biggest market in the past two years.

Aylwin said the Pacific region could become the principal market for Chile overtaking even the European Community.

Malaysia could also use Chile as "a gateway into the Latin American market," he said, adding that Chile had the "most open economy in Latin America."

Aylwin was speaking on *Co operation in the Pacific: A Chilean Perspective* at the Institute of Strategic and International Studies.

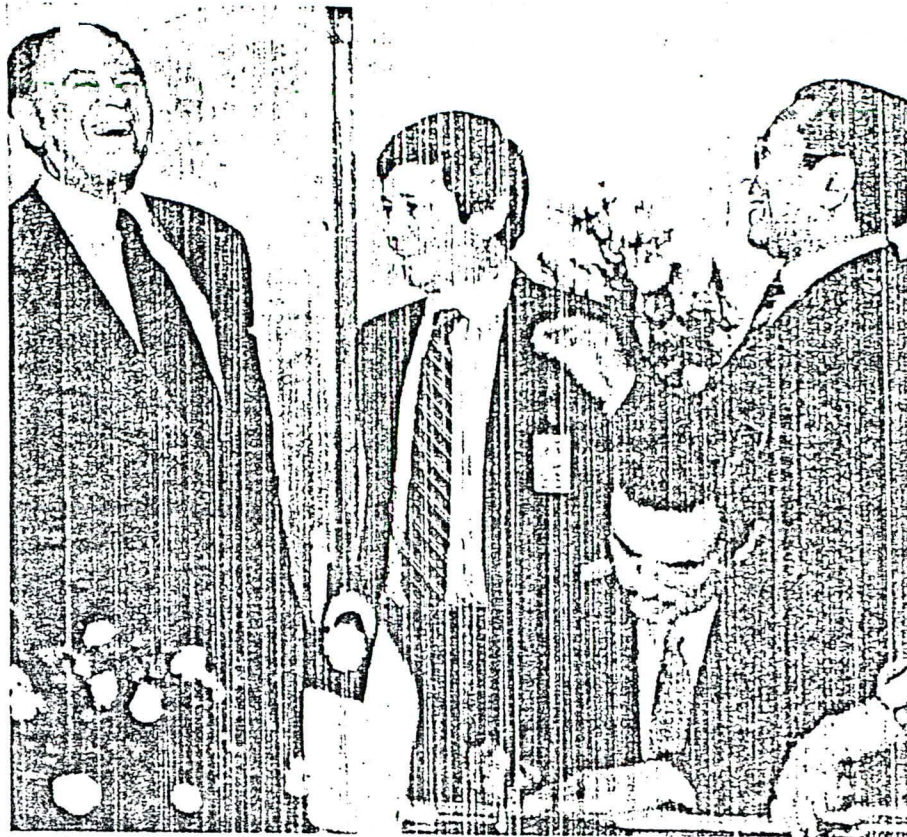
He said Chile wanted to join the Asia Pacific Economic Co-operation (Apec) and the North American Free Trade Area (Nafta).

It was keen to actively participate in Apec as the organisation promised close inter-governmental co-operation within the Pacific and was a "fertile field for economic development."

Aylwin expressed interest in co-operating in areas such as trade and environment protection.

On bilateral relations between Chile and Malaysia, Aylwin expressed much optimism as the two had much in common: having a population of less than 20 million, developing country status, and enjoying high growth rates (five per cent for Chile and eight per cent for Malaysia).

He added that Malaysia was a visionary example for Chile because of its spectacular economic results, and its process of sustained development with low unemployment rate.



FORGING NEW TIES... Abdullah putting his signature on the agreement on culture while Dr Mahathir and Chilean president Aylwin (left) share a joke

Chile keen on joint venture in car industry

By LEE KAR YEAN

KUALA LUMPUR: Chile is keen to have a joint venture with Malaysia in the car industry, Foreign Minister Datuk Abdullah Ahmad Badawi said yesterday.

He said Prime Minister Datuk Seri Dr Mahathir Mohamad had welcomed the proposal and a detailed study would be carried out.

"Chile is interested to

make car spare parts that we might want to use," he told a press conference after the signing ceremony of two agreements between Malaysia and Chile at the Prime Minister's Department.

The first agreement on investment guarantee to expand economic and industrial co-operation was signed between International Trade and Industry Minister Datuk Seri Rafidah Aziz and

Chilean Foreign Minister Enrique Silva Gimna.

Abdullah then signed the other agreement with Silva to promote cultural exchange.

Dr Mahathir and Chilean President Patricio Aylwin Azocar witnessed the signing ceremony. Also present was the Minister-in-Attendance and Transport Minister Datuk Seri Dr Ling Liong Sik.

Both countries have agreed to have closer co-

operation in air and maritime links to enhance friendship, Abdullah said.

"We have also asked Chile to consider importing palm oil from Malaysia," he said.

On cultural exchange, Abdullah said it would be in the form of television programmes and visits by journalists.

Dr Mahathir and Aylwin also discussed international issues such as the East Asian Economic

King: M'sia and Chile have good bilateral ties

KUALA LUMPUR: Malaysia and Chile have achieved remarkable success in bilateral relations despite the vast geographical distance, cultural and linguistic barriers, the Yang di Pertuan Agong Sultan Azlan Shah said last night.

These achievements were testimony to what could be achieved when governments and the private sector worked together to develop meaningful relations, he said at a state banquet at Istana Negara in honour of the President of Chile, Mr Patricio Aylwin Azocar, who is here on a four-day state visit.

He said Aylwin's visit, the first by a Chilean president to Asia, would strengthen friendly relations and the economic and social links.

Malaysia's efforts to strengthen links with other developing countries, like Chile, would enhance trade and create closer economic co-operation and "render us less vulnerable to economic pressure and manipulation."

Developing countries

were moving into a new phase which emphasised practical and tangible forms of economic and technical co-operation, His Majesty said.

The South Investment Trade and Technology Data Exchange Centre agreement, which Chile had acceded to was a case in point, the King said.

"Unfortunately, we are being confronted today with the emergence of trade blocs that threaten to fracture our global trading system," he said.

For small countries that are dependent on the free flow of global trade and commerce, this was a frightening prospect.

Malaysia and its Asian neighbours were working towards the formation of an East Asian Economic Caucus to strengthen their collective ability to uphold the international system of free trade, he said.

The King expressed the hope that Chile and the other countries of Latin America would work to ensure that Latin America remained open to free trade. — Bernama

'TRADE WITH OTHERS TO CONTINUE'

Bilateral pacts not a hindrance: Chile

By FAUZIAH ISMAIL

CHILE'S commitment towards a bilateral trading system with the other Latin American countries will not lead to the creation of a Latin American Economic Community which is closed to the rest of the world, its president Patricio Aylwin Azocar said yesterday.

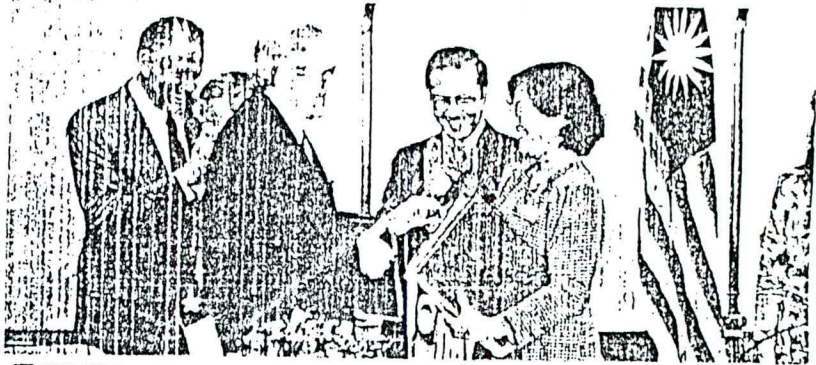
Aylwin said Chile advocates a free and open economy and bilateral trade agreements between his country and the other Latin American countries will not stop it from trading with Asia-Pacific countries especially Malaysia.

"Our countries have been too distant for centuries. There is a great future ahead of us.

"Twenty years ago, we did not imagine this to happen but now, Asia-Pacific countries have overtaken the European Community to become our principal trading partner. And Japan is our leading trading partner after the US.

"As countries in the South, we should mutually help each other to reduce dependence on the developed nations. Our South-South cooperation should be based on the interests and not rhetoric elements.

"Cooperation between us can be efficacious," he told an international affairs forum at the Institute of Stra-



AYLWIN and Dr Mahathir witnessing Chilean Foreign Minister Silve Cimma and International Trade and Industry Minister Datuk Seri Rafidah Aziz exchanging the Investment Guarantee Agreement.

tegic and International Studies (Istis) in Kuala Lumpur yesterday.

Aylwin, speaking on "Cooperation in the Pacific: A Chilean Perspective", said Chile has a reciprocal and growing commercial interest in Malaysia.

While Malaysia can be an entry point for Chilean businesses into the Asian region, Chile offers itself as the corridor for Malaysia into the Latin American markets.

Malaysia and Chile can be the model of linkages between two dynamic areas of the world as much of the cooperation between the two regions are on trade.

"We are aware of Malaysia's dynamic economic growth and there are many

possibilities of joint ventures we can pursue in facilitating Malaysian businessmen to Latin America," he continued.

The president, who is on a five-day state visit, said Chile's move to sign a bilateral trade agreement with Mexico will not be a deterrent to its trading with other parts of the world.

Under the agreement, products between the two countries need only pay 11 per cent in duties. In five years, the tariff will be abolished. Similar agreements will be signed with Venezuela and Colombia.

"We are negotiating trade agreements with countries which are as open as ours. Eventually, we will reach to-

tal open economy but it will not result in a closed Latin American market," he added.

Aylwin said Chile also aspires to have a similar pact with the US like Mexico under the North America Free Trade Area (Nafta) agreement but reiterated that it will not stop the country from trading with the rest of the world.

The agreement will instead enable other countries to access North America through Chile.

Chile, he added, is also keen to join the Asia-Pacific Economic Cooperation (Apec) forum as it is the most promising means for closer inter-governmental cooperation in the Pacific.

Free trade-beneficial, states told

PACIFIC nations including Chile and the other Latin American countries should work towards ensuring that the region remains open to free trade. The Yang di-Pertuan Agong Sultan Azlan Shah said that the free trade system can bring mutual gains to South-South countries.

"Cooperation between the South-South countries can only be expanded in a free trading system. The emergence of trade blocs is a frightening prospect especially for small countries like us which are so depen-

dent on the free flow of international trade and commerce.

"To strengthen our collective ability to uphold the international free trading system, Malaysia and the other Asean countries are working towards forming the East Asian Economic Caucus.

"And as the (Malaysian) Government has always stressed, the EAEC is not a trading bloc. The region is open to all," the King said at a state banquet in honour of Chilean President Patricio Aylwin Azocar at Istana Negara last night.

The King said despite the geographical distance as well as the cultural and language barriers, Malaysia and Chile have achieved remarkable success in bilateral relations.

These achievements, he said, are a testimony of what can be achieved when governments and the private sector work together to develop meaningful relations.

Aylwin's visit, the first by a Chilean President to Asia, will further strengthen the existing friendly relations and the economic and social

links, he added.

The King said that following Prime Minister Datuk Seri Dr Mahathir Mohamad's visit to Chile last year, economic relations had expanded to include Malaysian investments in the property and mining sectors in Chile.

Malaysian companies have also started to export more manufacturing goods to Chile. Malaysia, too, is increasing import of goods such as seafood and coin-blanks from Chile. The Government has decided to establish a resident embassy in Santiago.

Visit brings business potential

By KARTINI ABD. IKADIR

IT was a hectic day for the high-powered 140-member delegation from Chile led by its president Patricio Aylwin. While its public sector officials were busy meeting their Malaysian counterparts, a Chilean private sector group met with officials of the Federation of Malaysian Manufacturers (FMM). Addressing the visiting

sector should identify business opportunities in Chile and establish closer rapport with their Chilean counterparts.

Similarly, there is considerable business opportunities for Chilean businessmen to participate in Malaysia's industrialisation, he said.

Tunku Mohamed said the visit is very timely and this meeting will give the opportunity for both sides to ex-

press business interests and cooperation, some concrete business partnerships can perhaps materialise in the near future.

Sofefa chairman Hernan Briones Gorostiaga said Chilean businessmen are keen to develop joint-venture associations with their Malaysian counterparts.

"Malaysia can sell its products to the South American markets by using Chile

contacts for future cooperation with this visit. We'll visit China and Japan after Malaysia," said Briones.

Chile's main economic activities are agriculture, forestry, fishing, manufacturing and mining. Its principal trading partners are the US, Japan, Germany and Brazil.

Chilean Deputy Finance Minister Jorge Rodriguez who met Deputy Finance Minister Datuk Seri Rafidah Aziz

12 NOV 1992

Way paved for trade, ties boost with Chile

By SHARIF HARON and ANNA TAINQ

THE way is now open for even greater bilateral trade and economic ties between Malaysia and Chile with the signing yesterday of an investment guarantee agreement (IGA) between the two countries.

Even though trade between the two countries registered a growth of 850 per cent last year from just \$25.41 million in 1990, there is still room for expansion and the IGA is expected to provide the added push. At present, trade is limited to a few commodities.

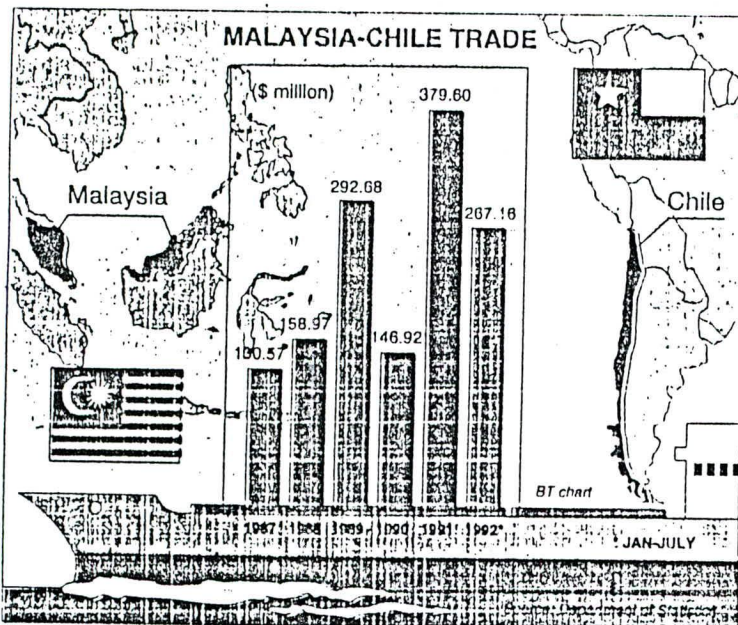
The accord, a landmark agreement between two developing countries of the South, will be the catalyst for Chilean Malaysian investors seek new ground and help realise the true potential of their bilateral relations. It is aimed at creating favourable conditions for investments; investors of one country will receive fair and equitable treatment from the other.

International Trade and Industry Minister Datuk Seri Rafidah Aziz signed for Malaysia while Chile was represented by Foreign Minister Enrique Silva Cimma.

Earlier, Silva Cimma signed a cultural exchange agreement; Foreign Minister Datuk Abdullah Ahmad Badawi signed for Malaysia.

Present at the signing of both agreements were Prime Minister Datuk Seri Dr Mahathir Mohamad and Chilean President Patricio Aylwin Azocar, who is on a five-day official visit.

Abdullah told newsmen later that the leaders of both



countries recognised the importance of promoting trade and economic relations that will serve as an example of useful cooperation between two countries of the South.

The leaders discussed several issues during their meeting and agreed on the establishment of a Malaysia-Chile Joint Commission to promote closer technical, scientific and economic cooperation.

The two sides emphasised the need for air and shipping links to foster closer trade relations. In industry, Chile hopes to one day cooperate with Malaysia in car production.

Abdullah said Malaysia called on Chile to consider

importing more palm oil. A group of Chilean businessmen who visited the Palm Oil Research Institute of Malaysia in Bangi, Selangor, showed interest in sourcing palm oil and its products from the country.

He added that both Malaysia and Chile agreed that the

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North America Free Trade Agreement, comprising Canada, North America and Mexico, must open its market to products from other regions.

Malaysia agreed to support Chile's application for membership to the Asia Pacific Economic Cooperation forum. Dr Mahathir also briefed

President Aylwin on the East Asia Economic Caucus.

The cordial discussions between the leaders of the two countries, Abdullah said, show that Malaysia and Chile are confident of mutually beneficial bilateral relations in the future.

Earlier, Chile's Economic Minister Jorge Marshall called on International Trade and Industry Minister Datuk Seri Rafidah Aziz at her Ministry. Issues discussed included trade and investment.

The volume of trade transacted between Malaysia and Chile does not reflect the true potential of both countries' economies as trade is currently confined to a few products,

an analysis of trade between the two countries by the International Trade and Industry Ministry reveals.

Crude petroleum, for example, constitutes more than 70 per cent of Malaysia's overall exports to Chile, while copper accounts for 73 per cent of Chile's exports to Malaysia.

Important primary commodities Malaysia sells Chile are natural rubber and latex and palm oil. Telecommunications equipment accounts for 17 per cent of Malaysia's exports to Chile. Other export items are rubber products, baby carriages, toys and games, plastic products, garments and electrical products.

However, bilateral trade has been improving in recent years, reflecting the fact that Malaysia's efforts to penetrate non-traditional markets in the South countries are paying off.

Malaysia's exports to Chile registered a triple-digit growth of 850 per cent last year to \$239.7 million, compared with a negative growth of 81.4 per cent in 1990 which totalled just \$25.41 million. Malaysia also managed to turn around the trade balance last year to register its first surplus.

In the first seven months of this year, Malaysia's exports totalled \$165.3 million, lower than the \$201.99 million in the corresponding period last year. Malaysia imported \$101.86 million worth of goods from Chile, an increase of 16.8 per cent over the \$69.4 million recorded during the corresponding period last year.

Chile is Malaysia's second largest trading partner in Latin America. In 1991, it accounted for 0.19 per cent of Malaysia's total global trade.

Direct links to Latin markets

FROM PAGE ONE

and fats, of which 193,400 tonnes was fish oil. Fish oil constitutes about 84 per cent of total edible oils and fats produced. Vegetable oils are from sunflower and rapeseed. In addition, Chile imports 50,000 tonnes of edible oils annually.

Dr Yusof said the potential for palm oil in Chile has not been developed because of the distance between that country and Malaysia. Apart from its competitiveness, palm oil has the edge over fish oil due to its wider applications. In Chile, fish oil is widely used in manufacturing fats products like shortening and margarine.

He said said RBD palm oil can be used in producing margarine, shortening and baking fats, while palm stearin can be favourably considered for soap manufacture in place of tallow.

Direct links to L. American markets

By AZAM ARIS and FADZIL GHAZALI

MALAYSIAN manufacturers and commodities can find a market niche in Chile and South America now that direct links are being strengthened. For Perusahaan Otomobil Nasional (Proton), the national car manufacturer, Chile can be the gateway to the Latin American markets.

At the same time, there is a ready market for palm oil products, with potential for at least 20,000 tonnes of palm oil in Chile alone. In fact, the South American continent

offers Malaysia virtually a new market for palm oil.

On Proton, Chilean Transport and Telecommunications Minister German Molina said the demand for cars in Chile is seen rising in the next five years, and Proton, now that it has the necessary expertise and sales experience, can capitalise on this trend.

"I am not just talking about the Chilean market, but also the (other) Latin American markets, which offer good opportunities as well. The price of Proton overseas, I am told, is competitive," he told Business

Times after visiting the Proton plant in Shah Alam yesterday.

"I have looked at the car and I like what I see, especially its size. Backed by Japanese technology, I think the car can sell after making certain adjustments, like left-hand drive.

"The plant is clean and the workers are fast and energetic and the technology good. The Japanese technology in Proton is well executed by the Malaysian workforce. I will be briefing the President and potential importers later," he said. Most of Chile's car imports come

from Europe, the US, Japan and, to a lesser extent, South Korea.

Proton has yet to penetrate the North and South American markets. Its present export markets are the UK, Singapore, New Zealand, Eire, Bangladesh, Brunei, Malta, Jamaica, Sri Lanka, Nauru, Mauritius and Malawi.

Meanwhile, Palm Oil Research Institute of Malaysia (Porim) Director-General Dr Yusof Basiron said the potential for palm oil in Chile is good.

"Palm oil, being the most competitive edible oil at pre-

sent, has the potential to replace soyabean," he told Business Times after receiving Chile's Economy Minister, Mr R. Jorge Marshall, at Porim's headquarters in Bangi, Selangor.

Molina and Marshall are part of Chilean President Patricio Aylwin Azocar's 140-member entourage comprising three ministers, one deputy minister, four parliamentarians and businessmen. They are on a five-day visit to the country.

Last year, Chile produced about 230,900 tonnes of oils

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Areas of cooperation with Chile identified

By SHARIF HARON

A NEW era of cooperation and bilateral relations is dawning with the identification of new areas of cooperation between Malaysia and Chile. These include human resource training, shipbuilding, construction of highways and development of appropriate technologies.

Visiting Chilean President Patricio Aylwin Azocar, outlining the areas, said the visit has helped open up opportunities for Chile to use Malaysia as its export base in the region. "Similarly we believe Malaysia can open up markets in Latin America through Chile," he said.

Aylwin was speaking at a news conference in Kuala Lumpur yesterday, the third day of his official visit. He leaves today on the second leg of his Asian tour which will also take him to China and Japan. He is accompanied by a high-level delegation comprising ministers and prominent business leaders.

The two countries also signed three agreements to further enhance trade and investment ties. These are an Investment Guarantee Agreement, a Cultural Exchange Agreement and an Air Services Agreement. In addition, numerous personal contacts have been developed which will further enhance and strengthen bilateral ties.

Even though bilateral trade jumped by some 150 per cent in one year, it is still confined to just a few products. With improved air links, closer contacts and the signing of

bilateral agreements it is set to grow further.

The first Chilean joint venture, Kris Safety Footwear, making leather footwear, was officially opened by Prime Minister Datuk Seri Dr Mahathir Mohamad yesterday. The joint venture agreement for the project was signed last year in Santiago during the Prime Minister's visit to Chile.

Malaysian interests in Chile include the purchase of a property and the keenness shown by a number of companies to venture into mining activities. It is understood that Malaysian companies have also signed agreements to purchase iron ore and to invest in gold mining in Chile. Malaysia Mining Corp has teamed up with Canadian-owned Dayton Mining Co in the Andacollo gold mine project.

Both Malaysia and Chile have registered high growth rates in recent years and, according to Aylwin, the economies of Chile and Malaysia are complementary, and thus offer numerous opportunities for economic cooperation.

Earlier, speaking at the 3rd Meeting of the Malaysia-Chile Chile-Malaysia Business Cooperation Committee and the 3rd Malaysia-Chile Business Conference, he said Malaysians investing in Chile will not face difficulties as the political and economic scenario is similar.

He noted that the patterns in economic growth, unemployment rate and political stability in both countries are encouraging for investors. At present, the bulk of invest-

MAIN EXPORT ITEMS TO CHILE

	1992 Jan-July (\$m)	1991 (\$m)
Crude petroleum	97.38	172.56
Television and radio-broadcast receivers	55.22	40.64
Garments	0.84	1.63
Toys and games	0.39	1.01
Natural rubber and latex	2.50	7.33
Rubber products	1.16	2.52

MAIN IMPORT ITEMS FROM CHILE

Copper	107.24	101.65
Fish and other seafood	3.20	10.55
Fruits and nuts	3.40	2.79
Alcohol and phenol		16.91
Veneers, plywood, particle boards	0.13	0.35
Coin (excluding gold coin)	11.01	5.65

Source: Statistics Department, Malaysia

01 table

ment in Chile is from Asia, Australia, New Zealand and Japan.

He urged Malaysian investors to take advantage of his country's potential, adding that they should not limit their attention to the domestic market but also exploit international markets. They can use Chile as a centre to distribute their products to the Latin American markets.

Aylwin also expressed his country's interest in importing Malaysia's car, the Proton, not only for the Chilean domestic market but also for

other South American countries. "We are struck by the level of industrialisation here. We think Chile can be the entry point to Latin America and this is a new possibility that we need to study," he suggested that Malaysia in turn import copper and fruit.

There are opportunities in both countries untapped by the entrepreneurs. In training of the labour force, for example, Chile is keen to emulate Malaysia's promotion of joint undertakings between the public and private sectors.

The reciprocal willingness

of both countries to assist each other points to excellent possibilities for greater bilateral cooperation between the two countries, Aylwin said.

"In technology, a lot can be done. As developing countries, we are facing the challenges of improving efficiency and developing indigenous technology. We discussed the development of appropriate technology for Chile."

In shipbuilding, Aylwin said, cooperation can be explored in the construction of both navy and fishing vessels.

He added that cooperation in highway construction merits consideration as Chile is working to improve its own highway network. "We admire your construction of the North-South Expressway."

The President said he is encouraged by the cordial and useful meetings the businessmen of the two countries have had in the past few days. These businessmen, he added, have managed to initiate several things for further follow-ups in future.

Aylwin said his visits to China and Japan are aimed at achieving different targets. Chile hopes to promote its products in China where the population is huge, but aims to attract Japanese investment into the South American country.

Chile's growth rate recorded about 8 per cent for this year, with the unemployment rate at 5 per cent. The country is also going through a smooth and peaceful transition to democracy, he said.

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Some S132G exemptions to be allowed

By RADZUAN TAJUDDIN

SECTION 132G of the Companies Act will remain as it is but some exemptions will be given in the various clauses under it.

The exemptions, which will number about five or six, will include arrangements made under ordinary business transactions falling under the present law, including takeovers and mergers.

"If it is in the course of business and is provided for in the law like Section 179 of the Companies Act, then these are the exemptions that will be given in the 132G

amendment," Registrar of Companies Puan Zainun Ali said in Kuala Lumpur yesterday.

As for inter-group transactions, Zainun said exemption will only be given if it involves a wholly-owned subsidiary. She, however, said no definition will be given on the wording of the present Section 132G. "We are not giving any definition to anything."

Some quarters had earlier noted that the word "assets" used in the section is not defined. A liberal interpretation will include all types of assets, including trading

stocks, they added.

Earlier, Domestic Trade and Consumer Affairs Minister Datuk Abu Hassan Omar said the Cabinet had earlier this month approved the draft proposal on the amendments to Section 132G.

"The proposed amendments will be tabled in the current Parliament sitting," he added.

He was speaking to reporters after opening a Corporate Regulatory Framework seminar organised by the Malaysian Association of The Institute of Chartered Secretaries and Administrators in Kuala Lumpur.

Since Section 132G came into force on September 10, many quarters had submitted proposals on amending the present section, as they strongly feel that it may not be the best approach to plugging loopholes in the legislation.

The Federation of Public Listed Companies (FPLC), for instance, had proposed an exemption on ordinary commercial transactions between related companies in the normal course of business.

Its other recommendations included exemptions on inter-group transactions; general offers in a takeover

exercise; restructuring exercises involving movement of assets within the group to improve the efficiency and productivity of the group as a whole; and schemes of arrangement of companies, whether or not these require court approval.

Zainun said about 60 to 70 per cent of the proposals submitted to the ministry had been taken into account in formulating the amendments. "We, however, cannot accommodate everybody's request," she said.

However, there may be some kind of definition to

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INTERNATIONAL BUSINESS COOPERATION

PM: Don't confine projects to MNCs

By AZAM ARIS

INTERNATIONAL business cooperation should not be confined to multinationals but should also include joint ventures in small- and medium-scale businesses.

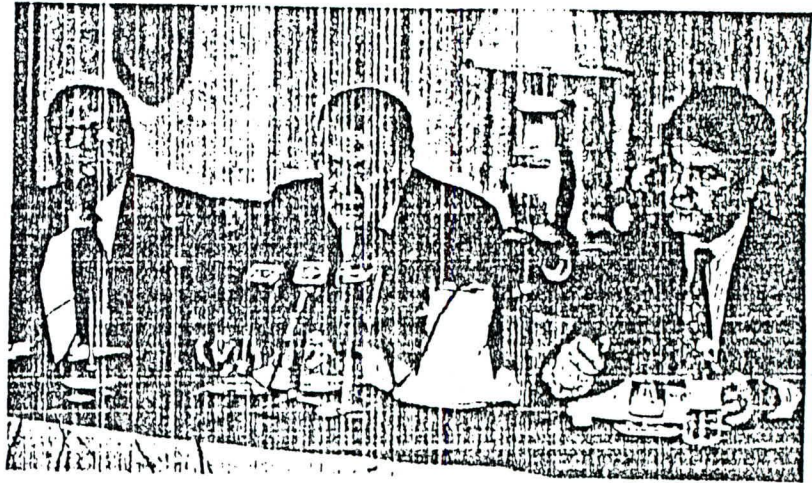
Prime Minister Datuk Seri Dr Mahathir Mohamad said a small project with low capital can end up being a significant investment too.

Opening Kris Safety Footwear, the first Malaysia-Chile joint venture in Pandamaran, Klang, yesterday, Dr Mahathir said in quantum of investment, the venture may not be particularly large but, nevertheless, it is a meaningful one.

Kris Safety Footwear, which makes leather safety footwear, has a paid-up capital of \$2.5 million. The project, Chile's first venture in Asean, is a joint venture between Landpac Group of Malaysia, which holds a 70 per cent stake, and Beltran Ilharrebordes SA, which holds the remainder.

The joint venture agreement for the project was signed last year in Santiago during the Prime Minister's visit to Chile.

"Kris Safety is a good example of not confining international cooperation to multinationals. The speedy implementation of this pro-



AYLWIN (centre) with External Affairs Minister Enrique Silva Cimma (left) and Economic Minister Jorge Marshall at a news conference yesterday.

ject is commendable. Today, we see the fruition of our governments' call to strengthen South-South ties.

"I am pleased to note that the whole of next year's production has been booked and committed for export, initially to Europe and North America, while the future market will be in the Asia-Pacific region.

"This is a move in the right direction. As developing countries become more industrialised, the require-

ment for safety shoes in factories will be greater," he said.

Dr Mahathir and visiting Chilean President Patricio Aylwin Azocar, who was present at the ceremony, called on businessmen from both countries to intensify their economic cooperation.

Kris Safety managing director Lee Teck Yuen said initially all of the company's production will be exported to Germany and the US but it hopes to service small spe-

cialised niches of the domestic market.

"Turnover is expected to reach \$30 million a year. The plant has the capacity to make 600,000 pairs of safety shoes," he said.

Lee said while the plastic thermoplastic counter materials (for the shoes) come from Brazil, other raw materials come from India and Vietnam. Technology and knowhow are provided by the Chileans while human resources and management are Malaysian.

Business urged to use Chile as gateway to L. America

By ANNA TAINQ

MALAYSIAN businessmen have been urged to use Chile as a launching pad into Latin America as it is fast emerging as a distribution centre for the region.

Other factors favouring Chile include its commitment to an open and liberal trading regime, reflected by the fact that most of its import tariffs do not exceed 15 per cent. International Trade and Industry Minister Datuk Seri Rafidah Aziz said yesterday.

Furthermore, Chile maintains a large volume of imports, which totalled US\$7.7 billion (US\$1 = M\$2.52) in 1991. However, Malaysia's share of this market is just 1.2 per cent, she said when opening the 3rd Malaysia-Chile Business Conference.

Rafidah noted that a number of companies from Taiwan and Japan had already moved their operations to Iquique, a free trade zone in the northern part of Chile.

This is to take advantage of the access Chile has to the Latin American Free Trade Association market, which has more than 360 million people.

She also told Chilean entrepreneurs to explore opportunities in Malaysia and Asean, pointing out that Chile can serve as an alternative supplier of some of Malaysia's import requirements, which are quite substantial.

Chile, she said, can be a supplier of mineral products and other intermediate goods needed by a rapidly expanding manufacturing

to US\$121.6 million over the last five years, averaging US\$24 million a year, according to Rafidah.

"Chile should take note that Asean, with its high growth and rising population, provides a vast market for many countries, and Chile should begin to seize this opportunity, especially with the establishment of the Asean Free Trade Area within 15 years," she said.

There is scope for cooperation, Rafidah said, such as in the production of value-added products from the resources available in Malaysia. She cited as examples the production of rubber goods, furniture and wood products, and agro-based industries, petrochemical industries and industrial machinery and parts in the

nomics, Mr Jorge Marshall, spoke of the urgent need for bilateral and multilateral efforts to reduce trade protectionism and ensure free world trade.

Chile, he said, wants to be more active in the international marketplace, and is increasing trade with not only the US and Europe but also with the Asia-Pacific countries. The importance of South-South cooperation in areas such as trade, technology and skilled labour was also stressed.

Marshall said Chile is opening up its market to the rest of the world, pointing out that the country has been growing at an average rate of 6.3 per cent for the last six years and 8 per cent this year.

Exports, he said, are

Mid-1993 start likely for gold project

By KARTINI ABD. KADIR

HUGES Group (Malaysia) and Invepa JRM (Chile), which signed a joint venture agreement in Kuala Lumpur yesterday, are expected to start their joint alluvial gold mining project in Chile by the middle of next year.

Huges Group chairman and managing director Datuk Hew See Tong said the group will be providing its expertise in the project which is targeted to mine an area of 10,000 cubic metres a day. The 50:50 joint project is also expected to venture into gold smelting.

"We visited the project area in March this year for preliminary studies and will visit the place again in March next year to do our final studies. Following the completion of all studies, we expect to start the project by the middle of next year.

"Our initial investment will be US\$1 million (US\$1 = M\$2.52). Invepa, a medium-size mining company, is currently operating a mining area of 500 cubic metres a day. The joint venture hopes to expand the mining area by 20 times to 10,000 cubic metres a day," he told reporters after the signing of the joint venture agreement.

The agreement was signed at the third meeting of the Malaysia-Chile Business Cooperation Committee.

Earlier, during a dialogue session with Chilean President Patricio Aylwin Azocar and members of his delegation, several pertinent issues were raised.

Both the Chilean and Malaysian Governments hope to initiate negotiations on a Double Taxation Agreement. Chile's international trade policies with its trading partners, mainly North America, Europe and Asia, were also discussed.

Call to boost trade ties with South countries

THE increasing globalisation of trade has made it necessary for Malaysian entrepreneurs to establish and develop joint ventures, particularly with countries in the South, for mutual benefit.

In this regard, it is important that the private sector enhances its role in promoting trade and investment cooperation among South countries, Tan Sri Azman Hashim, president of the Malaysia South-South Association (Massa), said.

He was speaking at the 3rd Malaysia-Chile Business Conference in Kuala Lumpur yesterday.

Azman, who is also the chairman of Arab-Malaysian Merchant Bank Bhd, said Massa was formed a year ago with the objectives of fostering economic and trade relations between Malaysia and countries in the South; promoting under-

standing; acting as an informal liaison body between the private sectors and the Government; and providing a forum for potential Malaysian investors to South countries.

To complement its activities, Massa set up a consortium company, Malaysian Latin American Ventures Sdn Bhd.

The consortium, also headed by Azman, will soon change its name to Malaysian South South Corp Sdn Bhd (Massacorp) to better reflect its main objective of promoting trade, investments and joint ventures between Malaysia and South-South countries.

The consortium company, together with three other Malaysian companies — IJM Corp, Kris Safety Footwear and the Selangor State Development Corp (PKNS) — recently invested US\$6.6 million (US\$1 = M\$2.52) on

six floors of an 11-storey office building and a second basement carpark in Las Condes, a prime business district in Santiago.

The property is wholly owned by Malaysia South-South Corp (Chile) S.A., a public company incorporated in Chile. Massacorp has a 30 per cent stake in Malaysia South-South Corp (Chile) S.A.

This is the first major investment in property by a Malaysian company in Chile and when the building is completed the next year, it will also house the Malaysian Embassy in Chile.

The building, to be named Edificio Malasia, was purchased from Immobiliara Tres B Limitada, a consortium company formed by three Chilean companies which are leaders in Chile's property development and construction sectors. — By Anna Taing

G15: Malaysia offers to help

MALAYSIA, a founder of the Group of 15 (G-15) developing countries, has offered to approach member countries to accept Chile as a member.

The offer was conveyed to visiting Chilean President Patricio Aylwin Azocar by Prime Minister Datuk Seri Dr Mahathir Mohamad during their discussions on Wednesday.

Disclosing details of the discussions between the two leaders, Chilean Foreign Minister Enrique Silva Cimma said Dr Mahathir invited Chile to become a member of the G-15 to bolster cooperation between South-South nations.

He said Aylwin accepted Dr Mahathir's invitation and hoped that the other G-15 member nations will accept Chile as the 16th member of the group.

"If that situation arises,

we will accept it with pleasure," he told reporters through Chilean Ambassador to Malaysia Jaime Lagos, who acted as his translator.

Silva was speaking to newsmen after signing the Instrument of Accession to become a member of the G-15 sponsored South Investment, Trade, and Technology Data Exchange Centre (Sittdec) at the Ministry of International Trade and Industry in Kuala Lumpur.

Members of Sittdec are Malaysia, Algeria, Argentina, Egypt, India, Indonesia, Jamaica, Nigeria, Senegal, Venezuela and Zimbabwe.

Silva said his country had also received a similar invitation from member nations of the Group of Rio.

"We didn't ask to become a member of the Group of Rio but were invited ... it is

the same situation now (in the G-15)," he added.

Earlier, in his speech, Silva said Chile's membership in Sittdec will enable businessmen from his country to exchange information with their counterparts in other member countries.

"We are a developing country and in the process of modernising our economy. We need the necessary data to benefit our private entrepreneurs and also our Government," he added.

He stressed the need to enhance the link between Latin American nations and those in the Asian region.

Sittdec executive director Mohamad Salleh Masduki said Chile's participation, the first non-G-15 country to become a member, will greatly enhance South-South cooperation. — Bernama

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13 NOV 1992

Malaysia and Chile sign agreement on air services

By OUR REPORTER

MALAYSIA and Chile yesterday signed a Memorandum of Understanding (MOU) to provide for the establishment of air links between the two countries.

Under the MOU, the designated airlines of Malaysia and Chile are given the rights to operate two flights a week each between the two countries with immediate effect. Transport Minister Datuk Seri Dr Ling Liong Sik said yesterday.

"As to when the flights will begin, this depends on the availability of the aircraft and other technical matters," he told reporters in Kuala Lumpur after the signing of the MOU.

The national carriers, Malaysia Airlines and Lan Chile, can now identify

whether to operate the service via the Pacific or the Atlantic or both.

On the Pacific route, Malaysia Airlines is granted a fifth freedom traffic rights from a point in Asia and Honolulu to Santiago in Chile with stop-over rights at Easter Island in the Pacific and/or Iquique, a city in northern Chile.

Lan Chile, on the other hand, is granted fifth freedom traffic rights from Tahiti and Sydney to Kuala Lumpur.

Services along the Pacific route will be operated only after Chile obtains its fifth freedom traffic rights from France and Australia, respectively, Dr Ling said.

On the Atlantic route, Malaysia Airlines is granted fifth freedom traffic rights from Johannesburg, South

Africa, with stop-over rights at Buenos Aires, Argentina to Santiago, while Lan Chile is granted fifth freedom traffic rights from Johannesburg to Kuala Lumpur, he said.

"Both airlines have met and they have also agreed to have inter-airline arrangement at points where they both fly to, such as Mexico City, Los Angeles, Frankfurt and Madrid, where they can exchange passengers and cargo," Dr Ling said.

He added the availability of these direct air services is expected to create new opportunities for Malaysia and Chile in the areas of trade, investment and tourism.

The MOU was signed by Dr Ling and Chilean Transport and Telecommunications Minister German Molina.

Huges teams up with Chileans

By Noorzita Samad

ENCOURAGED by the Government's call on Malaysian companies to invest overseas, a local mining based firm Huges Group has tied up with a Chilean counterpart to invest in alluvial gold mining in Chile.

Huges Group chairman and managing director, Datuk Hew See Tong said the company would provide expertise in alluvial mining operations to the Chilean company, Invepa SA.

The 50:50 joint venture is expected to commence operations by mid 1993 with an initial investment of over \$2.5 million.

"The mine is medium-sized and has been operating for some time. However, the production is rather low as they lack the expertise," Hew told reporters after signing a mining co-operation agreement with Invepa in Kuala Lumpur yesterday.

Invepa was represented by its chief executive Jose Reposi Monaco. The signing ceremony was witnessed by Chilean president Mr Patricio Aylwin Azocar and Minister of Youth and Sports, Annuar Musa, who is minister-in-attendance.

Hew said Invepa currently mined 500 cubic metres



Hew (right) and Jose Reposi signing the mining co-operation agreement.

per day. Huges Group hopes to increase the mine's capacity by at least 20 times "should the mining facilities there permit."

The Malaysian company also plans to offer its expertise in gold smelting to the Chilean partner.

Hew added the company had sent a team of experts to Chile in May to conduct preliminary studies on the size of gold deposit in the mine. A final exploration is expected to be carried out in March, 1993.

Huges' mining deal is the

second Malaysian investment in the mining industry in Chile.

Last month, the Malaysian Mining Corporation Bhd (MMC) teamed up with a Canadian company to invest in gold mining activities in Chile.

Rafidah: Room for more trade with Chile

By A. Rachel

TRADE and economic co-operation between Malaysia and Chile may have increased considerably over the past two years but there is still great potential for bilateral trade.

International Trade and Industry Minister Datuk Seri Rafidah Aziz said given the rapid growth of the economies of the two countries, the present level of trade did not reflect the vast potential of bilateral trade available.

Speaking at the launch of the third Malaysia-Chile Business Conference held in Kuala Lumpur yesterday, she said:

"The two countries are entering a new era of relationship with the intensification of trade and economic co-operation."

Chile, which is Malaysia's second largest trading partner after Brazil among Latin American countries, accounted for only 0.19 per cent of Malaysia's total world trade, she added.

In the first seven months this year, Malaysia exported \$165.3 million worth of crude petroleum, televisions, radios, broadcast receivers, garments, toys, games, natural rubber and rubber products.

In turn, during the same period, imports from Chile amounted to \$139.9 million. The imports were mainly copper, fish, seafood, fruits, alcohol, phenol and veneer.

On the other hand, Malaysia, which is strategically located within the Asia Pacific region could serve as a base for Chilean export in this region, she added.

"With the Asean Free Trade Area, Chilean companies can look towards a bigger and more lucrative market."

She said the United States and Europe were still Chile's main trading partners while Asian countries, with the exception of Japan, did not feature prominently in bilateral trade.

Masscorp strengthens our presence

MALAYSIA has further strengthened its presence in Chile following an investment in a multi-storey office building in a prime business district in Santiago by Masscorp SA.

Masscorp or Malaysian South South Corporation SA, is acquiring a 30 per cent stake in the six-storey building to be named Edificio Malasia, which is still under construction.

The remaining 70 per cent will be held by the Chilean developer, Inmobiliara Tres B Limitada.

Masscorp president Tan Sri Azman Hashim said the building is located in Las Condes, a prime commercial area in the Chilean capital city. It is expected to be ready early next year and would house the Malaysian Embassy.

The agreement for the purchase of the building was signed between Masscorp and Inmobiliara in Kuala Lumpur yesterday. Azman signed the documents on behalf of the local firm while Inmobiliara was represented by its head Mr Vic-

tor Ileganilla Saavedra.

The signing ceremony was witnessed by Chilean president, Mr Patricio Aylwin Azocar (who was here on a five-day official visit) and Minister of Youth and Sports Annuar Musa, who is minister-in-attendance.

In his speech, Azman said the Malaysian South-South Association (Massa) and its company, Masscorp, has initiated various measures to enhance bilateral trade and technology tie-up with countries of the South such as Chile.

Call to remove import, quota barriers

CHILEAN fruits and vegetables exports are facing difficulties entering certain countries in the Pacific region due to import prohibitions, quotas as well as some phytosanitary requirements.

President of the Chilean Exporters' Association Ronald S. Brown Fernandez, who described some of the phytosanitary measures as unjustified, said Chilean produce meet the requirements of highly competitive foreign markets.

Exports to Pacific region countries amounted to only 2.6 per cent of Chile's total exports of produce.

Chile, the leading produce exporter from the southern hemisphere, hopes to export \$3.28 billion worth of produce this year.

Speaking at the third Malaysia-Chile Business Conference in Kuala Lumpur yesterday, Fernandez said:

"We are now very confident that the hindrances will be removed over the years, making the Pacific region an important export market for our produce."

Singapore, Japan, Hong Kong and Taiwan account for 75 per cent of the total Chilean produce exported to this region.

About 85 per cent of its fresh produce was exported to the United States and Europe.

Other problems hindering the exports of its produce to other countries include tariff and sanitary barriers, import bans or quotas as well as transport difficulties.

Fernandez added that there are possibilities for investment in Chile's agro-industry, especially to strengthen the existing infrastructure, to introduce more advanced technology and financing.

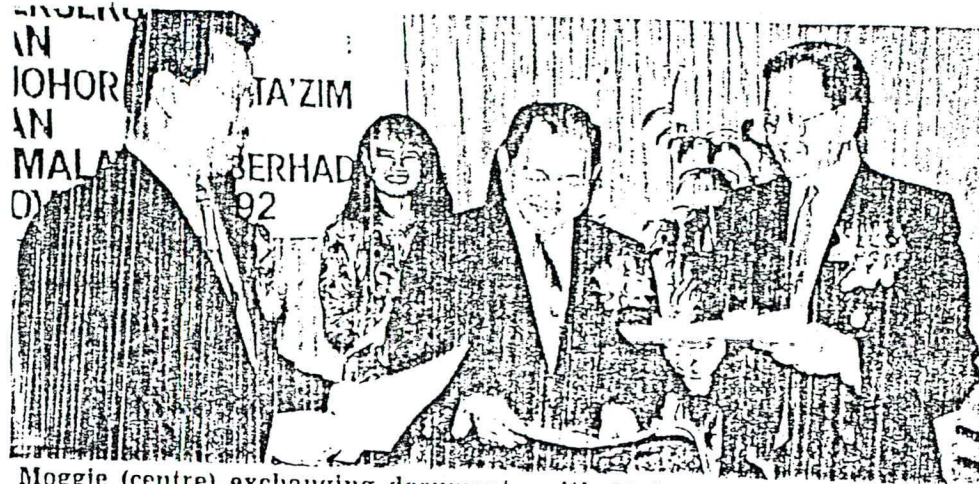
Spinoff deals in Second Link

A TRIPARTITE agreement signed between the Federal Government, Johor Government and United Engineers (M) Bhd (UEM) yesterday will pave the way for a series of other deals to ensure the successful implementation of the Second Link project.

The Second Link project consists of three components namely the second crossing which will take the form of a box girder bridge; two expressways — one will link the second crossing to the North-South Expressway and Senai Airport, while the other will link the metropolitan area of Johor Baru to Pasir Gudang; and the development of a 10ha integrated township in South-West Johor.

The box-girder bridge will carry a dual three-lane carriageway with a total length of about 2.5km. It will have a clear main span of 165m enabling a two-way navigational channel for two ships to pass.

Singapore is expected to part finance the bridge estimated to cost \$400 million, while UEM will cover the other half, together with the



Moggie (centre) exchanging documents with Muhyiddin (left) and Radin Soenarno after the signing ceremony in Kuala Lumpur yesterday.

expressways which is estimated to cost another \$600 million.

The Johor State Government, on the other hand, will jointly develop the new township with UEM, said to also cost about \$600 million.

The Federal Government and UEM will negotiate on the terms and conditions of the concession agreement to be awarded to the latter to design, construct, manage,

operate and maintain the second crossing and its two connecting expressways.

UEM will also negotiate with the Johor Government on the terms and conditions of township development.

It was learnt that the tripartite agreement would also provide for an acknowledgement by both the Federal and State Governments that the revenue to be generated by UEM from the sec-

ond crossing and expressways would not be sufficient for the two projects to be viable.

The agreement was signed in Kuala Lumpur by Works Minister Datuk Leo Moggie on behalf of the Federal Government, Johor Menteri Besar Tan Sri Muhyiddin Yassin for the Johor Government and Tan Sri Radin Soenarno for UEM.

Malaysia, Chile in landmark joint venture

By K.P. Waran

A MALAYSIAN-Chilean joint venture project, hailed as a symbol of South-South co-operation, was launched yesterday by Datuk Seri Dr Mahathir Mohamad who described it as a step towards greater industrial co-operation between the two countries.

Kris Safety Footwear Sdn Bhd which produces safety shoes in Pandamaran, Klang, is also the first Chilean venture in Asean.

The joint venture between Beldran Ilharreborde S.A. of Chile and Landpac Group, was officially opened by Dr Mahathir and Chilean President Patricio Aylwin Azocar yesterday.

The Prime Minister, in his speech, said the factory was a result of the Government's call to strengthen South-South relations and had great significance although it was not a large project in terms of investment.

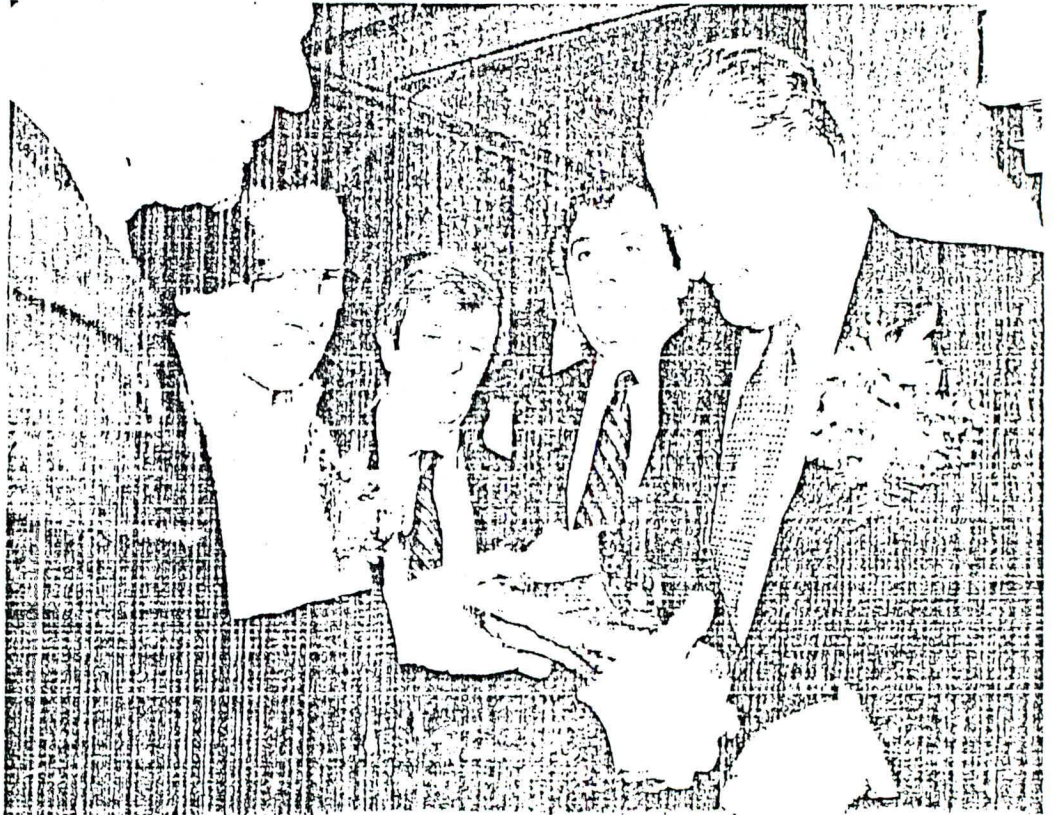
Starting a small factory like Kris Safety Footwear showed that international business co-operation need not necessarily have to be confined to big companies.

He hoped the Chilean business community would play a positive role in joint ventures in line with the national development policies of Malaysia, and urged local businessmen not to miss opportunities to establish contacts with their Chilean counterparts.

Dr Mahathir said he had been informed that the total production for the whole of next year had been booked for export to Europe and North America and future marketing was expected to focus on the Asia Pacific region.

He commended the company's marketing strategy which he described as a wise one because the move towards industrialisation in developing countries would assure higher demand for the footwear.

Aylwin, in his speech, praised Malaysia's development policies which had resulted in high economic vitality in just a few decades.



Ilharreborde (left) explaining the quality of the safety shoes to Aylwin (right), Dr Mahathir and other Chilean officials. — NST picture by Johari Zakaria.

NEW STRAITS TIMES

Move to admit Chile as G-15 member

By Juhaldi Yean Abdullah

KUALA LUMPUR, Thurs. — Malaysia will formally propose that Chile be admitted as a member of the Group of 15 (G-15), Chilean President Patricio Aylwin Azocar said today.

Prime Minister Datuk Seri Dr Mahathir Mohamad has informed him of the proposal in one of their meetings, he added.

"Chile shares the views and aspirations of the G-15. However, we have not been officially invited to join the group," he told reporters at a Press conference at the Carcosa Seri Negara here.

Malaysia has also expressed support for Chile's intention to join the Asia-Pacific Economic Co-operation (Apec). He will seek similar support from Japan.

On bilateral ties between Chile and Malaysia, he expressed satisfaction at the progress made at both the government and private sector levels.

He said the potential to expand ties was good and hoped this would be translated into more joint venture projects and opening of new markets for both countries.

"Our economies are complementary. As such, we have much to benefit from the forging of close trade and economic ties."

He singled out Malaysia's progress in the car industry as most promising. Chile was ready to import the Proton Saga and become an entry point for the Malaysian-made car into the Latin American market.

"Besides being a large importer of cars, Chile has a vast network of co-opera-



AYLWIN
... joint projects

Both countries should look into the viability of co-operating in areas like ship building, production of fertilisers, roadbuilding and provision of infrastructural facilities and the training of labour.

In the area of shipbuilding, he said his delegation had fruitful discussions on the possibility of building offshore patrol vessels for the Royal Malaysian Navy and ships for the fishing industry.

President Aylwin said his visit was to underscore the need for both countries to co-operate, adding that since Dr Mahathir's visit to Chile last year, trade between both countries had increased tremendously.

Trade between the two countries totalled \$379.6 million last year, and \$133.18 in the first six months of this year.

He also said some Malaysian entrepreneurs were already involved in other economic activities, such as gold and iron ore mining, and real estate development, in Chile.

Closer ties between Asean, Rio Group

KUALA LUMPUR, Thurs. — Malaysia will propose that regional co-operation, primarily involving Asean and the Rio Group, be established soon.

Foreign Minister Datuk Abdullah Ahmad Badawi said today the proposal would be submitted to the Asean Secretariat to gauge the views of other members.

"I will seek the views of my Asean counterparts as soon as possible," he told reporters after meeting Chilean Foreign Minister Enrique Silva Cimma at the ministry here.

Cimma was accompanied by Chilean ambassador to Malaysia Jalme Lagos and Malaysian ambassador to Chile Dennis Joachim Ignatius.

Abdullah said Malaysia supported the proposal in principle but needed positive feedback from other Asean members for such a co-operation to be realised, adding that Chile would do

the same for the Rio Group.

The Rio Group is a forum for political consultation comprising 10 South American countries, one Central American and one Caribbean nation. Chile will chair the group for the next year beginning on December.

Abdullah said such a co-operation would benefit not only members of both groupings but other countries in Southeast Asia and South America also.

Details on how such a co-operation could take place would be worked out later.

"We will see if the co-operation can be similar to the Asean-European Community arrangement," he added.

Both Foreign Ministers discussed ways to enhance South-South co-operation and bilateral relations.

On bilateral ties, Abdullah said they discussed the format and frequency of meetings for the newly established Malaysia-Chile joint commission meeting.

King invited to visit Chile next year

KUALA LUMPUR, Thurs. — The Yang di-Pertuan Agong Sultan Azlan Shah has been invited to visit Chile next year.

President Patricio Aylwin Azocar said he had extended the invitation to the King.

At a Press conference held at the Carcosa Seri Negara, he thanked the King and Prime Minister Datuk Seri Dr Mahathir Mohamad for the "kindness and understanding" shown during his

four-day visit. He leaves for China and Japan tomorrow.

Describing his trip as fruitful, he said both countries had signed four agreements during his visit.

The agreements were on investment guarantees, cultural exchanges including educational co-operation, air transportation and Chile's admission to the South Investment, Trade and Technology Data Exchange Centre (Sittdec).

A moment of reverie

KUALA LUMPUR, Thurs. — President Patricio Aylwin Azocar of Chile laid a wreath at the National Monument this morning as a mark of respect to the fallen Malaysian soldiers.

He arrived at the monument square at 9am, accompanied by the Minister-in-attendance, Datuk Annuar Musa and Foreign Ministry officials.

He was given a ceremonial salute by Mej Abdul Rahman Yat, who led three officers and 103 men from the 1st battalion of the Royal Malay Regiment.

A 60-member Royal Malay

Regiment band from the Sungai Besi base played the Chilean national anthem. President Aylwin proceeded to the National Monument.

As he laid a wreath at the foot of the monument, a seven-member trumpet unit from the 6th Royal Malaysian Rangers from the Wardeburn Camp here, led by Staff Sergeant Mohamed Rati Mohamed Shahar, played *The Last Post*.

A minute of silence as a mark of respect was observed after which President Aylwin left the square as the trumpet unit played *Rouse*.

Enjoyable tour for wife of Chilean President

KUALA LUMPUR, Thurs. — Mrs Leonor Ovarzun de Alywin, wife of the Chilean President, today took in the sights and sounds of the Federal capital when she visited several popular spots in the city.

Among the places she visited were the Orchid Garden and the Bird Park where she was greeted by City Hall deputy director-general II Abdul Ghani Mohamed Rais before being taken on a tour.

At the Bird Park, a colourful macaw called *Jeli* took to her immediately and perched on her arm to the delight of everyone.

Among those present were the wife of the Chilean Ambassador to Malaysia, Mrs Teri Lagos, and wife of the Malaysian Ambassador to Chile, Mrs Cherry Ignatius.

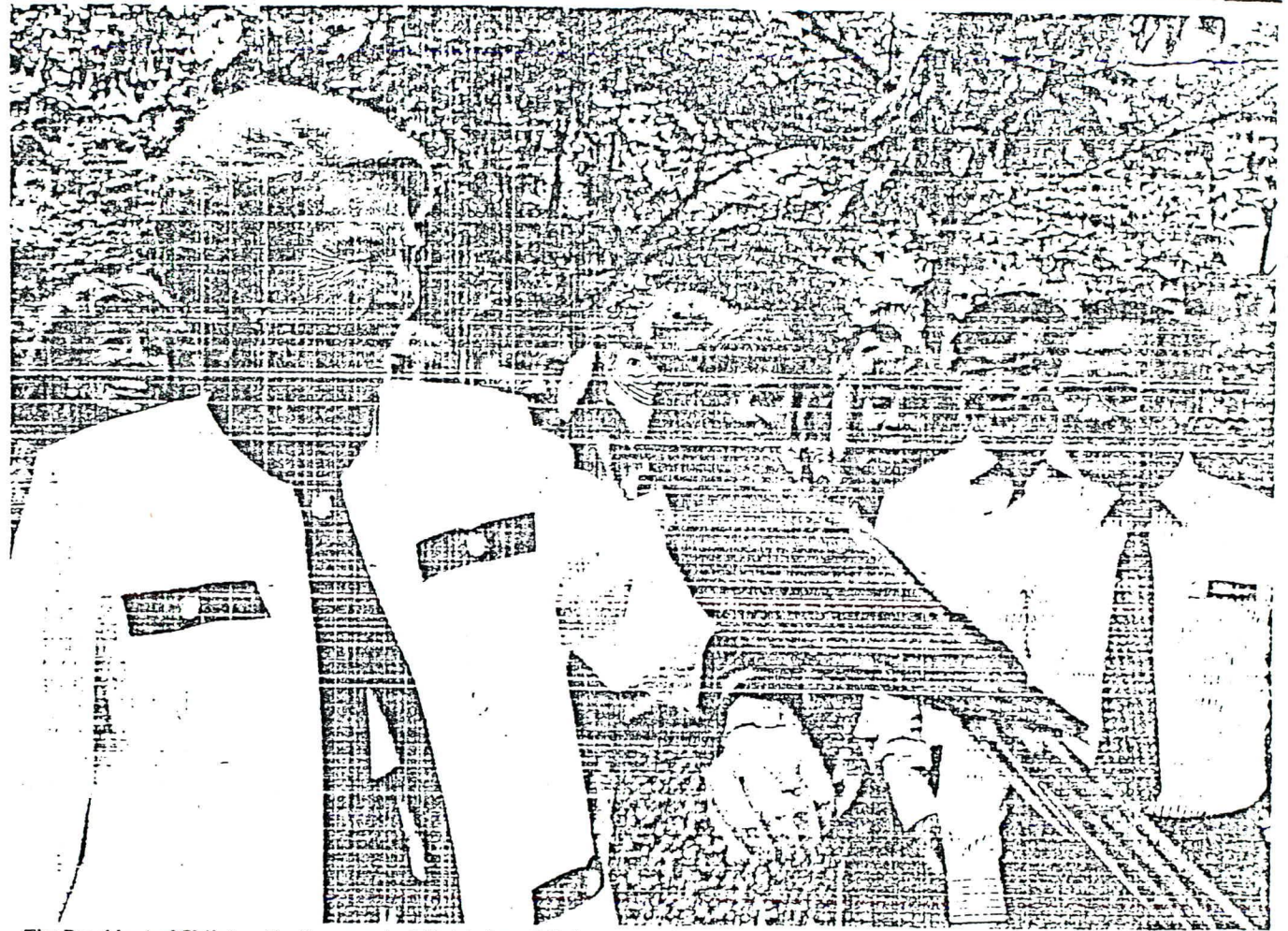
Also present was Datin Rosniah Abdul Rahman, wife of Youth and Sports Minister Datuk Annuar Musa who is the Minister-in-attendance.

Ovarzun was presented with an orchid plant as a souvenir of her visit to the garden. The entourage later visited Batik Sayang Sdn Bhd in Sungai Penchala where she tried her hand at batik painting.

She also spent some time admiring the work of batik artists, including a few who were handicapped.

The vibrant colours and intricate designs so captivated her that she bought a silk hand-painted batik blouse.

Ovarzun also received a batik blouse from Batik Sayang chairman Datuk Pa-



The President of Chile's wife, Ovarzun is delighted as *Jeli* the macaw is perched on her arm. — Picture by Philip Chong.

duka Saleha Mohamed Ali and a batik painting from its managing director Datin Khairiah Khairuddin.

The entourage also attended a luncheon hosted by National Unity and Social Development Minister Datuk Napsiah Omar at the Kuala Lumpur Hilton here.

In her speech, Napsiah spoke about the achievements of Malaysian women.

Napsiah said the health of women had also improved. Their life expectancy was now 73 years compared with 70 for men. The maternal mortality rate had also dropped to 20 per 100,000 live births.

She said the Government shared Chile's concern for social problems affecting children and youth as the country forged ahead to-

wards urbanisation and industrialisation.

Napsiah said although geographically Malaysia and Chile were distant, the gap between them was not that wide in terms of problems affecting their women, families and the people.

"Let us take this opportunity to share our experiences so that we can learn from one another.

"I hope this can be later formalised into technical exchange programmes in the spirit of technical co-operation between developing countries," Napsiah added.

The Chilean President's wife expressed her admiration for Malaysia and said she felt close to Malaysia and her people as both countries had the same prob-

lems. Ovarzun congratulated Malaysian women for their numerous achievements.

Later at the Royal Selangor International factory in Setapak Java, she tried her hand at hammering a powder cylinder and was presented the cylinder and a gold plated powder *keris* as souvenirs.

Proton can use Chile as entry point, says Aylwin

By SHAHANAAZ SHER HABIB

KUALA LUMPUR: Malaysia can use Chile as the entry point for the export of the Proton Saga to Latin America, Chilean President Patricio Aylwin Azocar said here yesterday.

He told a press conference that he was impressed with the progress of the Malaysian car industry.

He said the two countries had started discussions on co-operation in that industry.

The two governments, he said, had reached four agreements during his visit — an investment guarantee, cultural exchange, a memorandum of understanding on air transportation, and on Chile joining the South-South Investment, Trade and Technology Data Exchange Centre.

He said a shoe factory was the first joint venture between the private sectors of the two countries.

A contract for Malaysia to mine gold in Chile was being finalised, he said.

Aylwin will leave for Japan and China today.

TERIMA
KASIH

MUCHAS
GRACIAS

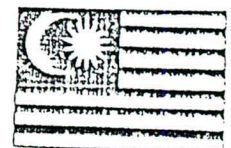
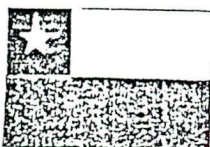


His Excellency
The President of Chile
Mr. Patricio Aylwin Azocar



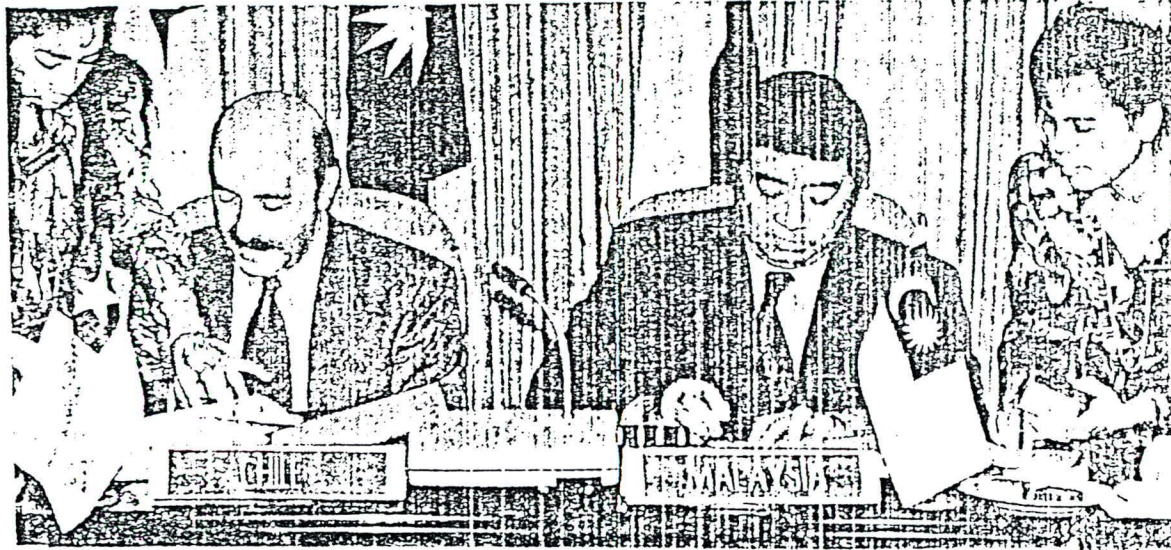
Y.A.B. Dato' Seri
Dr. Mahathir Bin Mohamad
Prime Minister of Malaysia

for graciously officiating the
opening of our new factory at
Landpac Industrial Park
Jalan Selat Selatan 4, Off Jalan Banting
Pandamaran, 42000 Port Klang
12th November 1992



KRIS SAFETY FOOTWEAR SDN. BHD.

DCA's weaknesses revealed



CLOSER TIES Transport Minister Datuk Seri Dr Ling Llong Sik and Chilean Transport and Telecommunications Minister German Molina signed an agreement to establish air links between Malaysia and Chile in Kuala Lumpur yesterday. The links are expected to open up new opportunities in trade investment and tourism between the two countries. Dr Ling said Malaysia Airlines and Lans Chile would launch services simultaneously as soon as Chile was granted landing rights to a few points.

Airport fire inquiry rules out foul play

By LIM AI LEE

PENANG: The board of inquiry into the Subang airport Terminal One fire in April recommended disciplinary action against some airport staff.

It also highlighted a number of weaknesses of the Department of Civil Aviation, Transport Minister Datuk Seri Dr Ling Llong Sik said yesterday.

He said the board's report, to be made public in a day or two, revealed that "some workers may have been relaxing too much on the job", but he ruled out foul play.

"The report will reveal the truth as the Government has nothing to hide," he told newsmen after opening the 14th Council Meeting of the Federation of Asia-Pacific Aircargo Associations.

"I want to emphasise that the Government, knowing that the report highlighted the weaknesses of the DCA, still chose to make a full disclosure to the public."

The report, which has been approved by the Cabinet, identified electrical fault as the cause of the fire which claimed three lives and destroyed

29 duty-free shops on April 6.

Asked whether any top DCA officials were implicated in the report, Dr Ling said:

"We have a new management team now with the setting up of Malaysia Airport Berhad (MAB)"

He said the report had made several recommendations with regards to safety precautions at the airport which the ministry wanted the MAB to take note.

He said the report also found that the duty free shops at the airport were "over-enthusiastic" in decorating their outlets, contributing to heavy wiring.

The double ceilings had also blocked the sprinkler system and prevented it from functioning effectively.

On a call by Chief Minister Dr Koh Tsu Koon to the MAB to speed up the installation of a sprinkler system at the Bayan Lepas airport, Dr Ling said the airport was equipped with a heat sensor system.

However, he said he would leave it to the experts to decide whether it was necessary to install a sprinkler system.

Another busy day of visits for Leonor

KUALA LUMPUR: It was another busy day for the wife of the Chilean president, Madam Leonor Oyarzun de Aylwin, who visited the Lake Gardens, Batik Sayang, and Royal Selangor Pewter.

Leonor was accompanied by the Youth and Sports Minister's wife, Datin Rosniah Abdul Rahman, the wife of the Malaysian ambassador to Chile Sherry Ignatius, wife of Chilean ambassador Toni Lagos, and other members of the Chilean delegation.

At the Lake Gardens, they visited the bird park and orchid garden.

Leonor was captivated by the birds, especially the macaw and hornbills which were tame enough to be touched:

Bird park manager Abdul Aziz Mohamed guided and briefed them during the walkabout.

The group later visited Batik Sayang Sdn Bhd where Leonor met several handicapped and retarded workers who were busy printing batik.

She was briefed by its managing director, Datin Khairiah Khairuddin, and chairman Datuk Paduka Zaleha Mohd Ali.

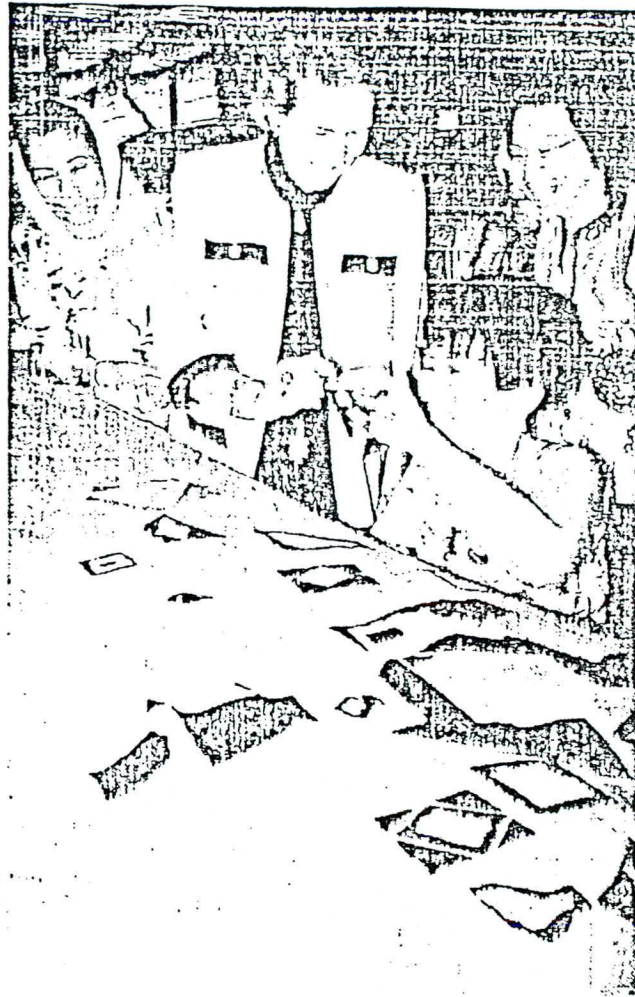
Leonor later bought a batik blouse.

The group attended a luncheon hosted by National Unity and Social Development Minister Datuk Napsiah Omar at the KL Hilton.

At the luncheon, Leonor said she was pleased with the warm hospitality shown by Malaysians.

During lunch, the guests were treated to a Malay traditional clothes display — a collection of Puan Azah Aziz.

After lunch, Leonor and her entourage visited the Royal Selangor Pewter.



HELPING OUT ... Leonor Aylwin helping handicapped Poon Siew Har in painting batik at Batik Sayang yesterday.