

INDONESIA, MALAYSIA STRENGTHEN ECONOMIC TIES

Indonesian President, H. E. Susilo Bambang Yudhoyono visited Malaysia during 10-12 January 2007 and held talks with Malaysian Prime Minister, H. E. Abdullah Ahmad Badawi. The two leaders agreed to establish an Eminent Persons Group to help resolve bilateral problems between their countries. Seven members would be appointed from each country to the Group, which would tackle issues like culture, religion and economy.

The two G-15 countries signed a memorandum of understanding (MoU) to establish a joint trade and investment committee to address issues and recommend measures to enhance bilateral trade and investment. The Malaysian International Trade and Industry Minister, Rafidah Aziz and her Indonesian counterpart, Mari Elka Pangestu, signed the MoU.

Indonesia was Malaysia's 10th largest trading partner in 2006 with total trade of \$9.2 billion, an increase of 14 percent from 2005. Between January and October 2007, Malaysia approved investments amounting to \$11 million from Indonesia, mainly in chemicals and chemical products, plastics products and transportation equipment. During the same period, Malaysian invested \$298.6 million in Indonesia.

Source: Associated Press, 11 January 2008

MEXICO, IRAN DISCUSS EXPANSION OF ECONOMIC COOPERATION

The Iranian Deputy Foreign Minister, Mr. Alireza Sheikh Attar held talks on 20 January 2008 in Mexico City, with Mexican Under-Secretary of Foreign Affairs, Mrs. Lourdes Aranda, on ways to develop economic cooperation between the two G-15 countries. Mr Attar is believed to have told his Mexican counterpart that Iran has acquired experience in implementing industrial and development projects in several countries including Venezuela in Latin America. Mrs. Aranda stated that it was the policy of the Government of Mexico to develop economic cooperation with Asian and African nations. She further stated that Mexico would take part in the upcoming joint economic commission meeting due to be held in Tehran in 2008. Furthermore, the Government of Mexico has presented a bill to parliament which calls for boosting the efficiency of the energy industry and was willing to use Iranian experience in this respect. The two countries agreed to undertake bilateral exchange of energy experts.

Source: IRNA, 23 January 2008

IRANIAN GOODS EXPO HELD IN SRI LANKA

An exhibition of Iranian products was inaugurated in Colombo on 27 January 2008 in the presence of Iran's Commerce Minister, Mr. Mas'ud Mirkazemi and the Sri Lankan Ministers of Petroleum and Investment Development. The exhibition, in which 60 private and state-run Iranian companies took part, aimed at broadening the economic and trade ties between the two G-15 countries. Products from Iran's metals industry, minerals, food industry, tourism,

handicrafts, carpets, industrial machinery, leather products, healthcare products, and chinaware were exhibited in the Expo. At the inauguration ceremony, Mr. Mirkazemi referred to the Expo as a welcome opportunity for the people of Sri Lanka to become familiar with the Iranian nation, its economy and culture, and called for the promotion of mutual economic and trade ties.

Trade between Tehran and Colombo currently stands above \$750 million. Iran has long been an exporter of crude oil to Sri Lanka and a major importer of tea. Recently, the two countries struck a deal worth some \$1.5 billion in the fields of dam building, establishment of irrigation networks, power plants, and refineries.

Source: Tehran Times, 28 January 2008

MALAYSIA, INDIA STEP UP BILATERAL COOPERATION

India and Malaysia have agreed to elevate their cooperation in the defence sector by signing an agreement on co-production, joint ventures, and other military-related industrial collaboration between the two G-15 countries. The agreement was signed during a meeting in Kuala Lumpur on 7 January 2008 between the Indian Defence Minister Mr. A. K. Antony and the Malaysian Deputy Prime Minister and Defence Minister Mohd Najib Tun Razak.

The Malaysian Deputy Prime Minister also announced the award of a large railway construction contract to India. The \$ 1.08 billion project, awarded to IRCON, the Indian Railway Construction Company, involves the construction of a 100-km two-track network between Seremban and Gemas in Malaysia.

Source: The Hindu, 8 January 2008

PERU IS MAIN FOREIGN INVESTMENT DESTINATION FOR CHILE

Chile's foreign direct investment (FDI) reached a historic high of US \$ 4.7 billion in 2007 and 26 percent of it or US\$ 1.24 billion went into Peru. The major factor contributing to this was the purchase by the Chilean retail giant Cencosud, of the Peruvian Wong Grupo supermarket chain, valued at \$ 500 million.

According to statistics released by the Santiago Chamber of Commerce, other G-15 countries also figured high on the list of Chilean FDI during 2007. Brazil was placed second and Argentina third in Chilean foreign investment during the year. Chilean firms invested US \$ 875 million in Brazil, a 232% increase over 2006, with the commercial and industrial sectors attracting the most capital. Argentina was not far behind, receiving a total Chilean investment of US \$775 million.

Source: Mercopress, 27 January 2008

IRAN, MALAYSIA SIGN GAS CONTRACT

The Islamic Republic of Iran and Malaysia have signed a 1.2 billion euros contract to build natural gas liquids (NGL) facilities on Iran's southern Kharg Island. Kharg Island is Iran's main oil terminal in the Persian Gulf. A consortium of Malaysian companies signed the agreement with the National Iranian Offshore Oil Company in Kuala Lumpur in January 2008. The project would gather 600 million cubic feet of gas per day from the Abouzar, Bahregansar, Doroud, Forouzan, Kharg and Soroush fields. The two G-15 countries had signed another 16 billion dollar deal in late December 2007 to develop Iranian gas fields and build liquefied natural gas plants.

Source: Press TV, 26 January 2008

SENEGAL, NIGERIA AWARD CONTRACTS TO INDIAN FIRMS

India's economic cooperation with West African G-15 countries has been rising continuously during the current decade. In January 2008, the Indian fertilizer giant IFFCO was offered a contract by the Government of Senegal for the revival of its ailing chemicals company, ICS Senegal. Under the plan, IFFCO will infuse \$100 million in equity and provide another \$100 million as loan over the next three years to revive the company. The restructuring of ICS Senegal will enhance the availability of phosphoric acid, which is likely to result in a fall of international prices of the chief raw material for phosphate fertilizer. The Senegalese Minister of Mines and Industry, Mr. Madicke Niang also offered a potash mine in Senegal for development by Indian entities during his visit to India on 20 January 2008.

Meanwhile, an Indian state-run transmission firm, Power Grid Corporation of India (PGCIL), has received an in-principle approval for maintenance and expansion of the power grid in Nigeria. According to PGCIL Chairman and Managing Director, R.P Singh, the firm would maintain the power transmission systems of the country for the next three years.

Source: This Day, 7 January 2008 and www.indlawnews.com, 25 January 2008