

GRS 200

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DESKBY 310930Z MAR 83

FROM KUALA LUMPUR 310810Z MAR 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 148 OF 31 MARCH

ANGLO/MALAYSIAN RELATIONS

1. WE HAVE BEEN INFORMED THAT AT THE CABINET MEETING ON 30 MARCH THE DECISION WAS TAKEN TO LIFT RESTRICTIONS ON BRITISH COMMERCIAL COMPETITION FOR CONTRACTS IN MALAYSIA AND TO IMPROVE THE CLIMATE OF POLITICAL RELATIONS WITH THE UK. THIS DECISION WAS A DIRECT OUTCOME OF THE VERY SUCCESSFUL MEETING WITH MRS THATCHER. THIS INFORMATION WAS GIVEN TO US IN CONFIDENCE BY A MEMBER OF THE CABINET.

2. WE UNDERSTAND THAT THE DECISION IS EXPLICIT AND THAT INSTRUCTIONS HAVE ALREADY BEEN ISSUED TO THE UNIT IN THE PRIME MINISTER'S DEPARTMENT RESPONSIBLE FOR EXAMINING CONTRACTS. BRITISH BIDS WILL IN FUTURE BE TREATED EQUALLY WITH OTHERS AND THE QUOTE BUY BRITISH LAST UNQUOTE POLICY HAS BEEN ABANDONED. IT IS UNLIKELY THAT A FORMAL STATEMENT WILL BE MADE WITHDRAWING THE DIRECTIVE BUT WE ARE ASSURED THAT A SUITABLE MESSAGE TO THIS EFFECT WILL BE PASSED DOWN THE LINE.

3. WE ALSO UNDERSTAND THAT AN INVITATION TO THE PRIME MINISTER TO VISIT MALAYSIA AS THE GUEST OF THE MALAYSIAN GOVERNMENT IS BEING PASSED TO NO 10 THROUGH THE MALAYSIAN HIGH COMMISSION. THE MALAYSIANS HOPE THAT MRS THATCHER MAY HAVE AN OPPORTUNITY TO VISIT MALAYSIA THIS YEAR, PERHAPS AFTER CHOGM IN NEW DELHI IN NOVEMBER.

BENTLEY

[COPIES SENT TO NO 10 DOWNING STREET]

MALAYSIA TRADE DISCRIMINATION

LIMITED

SEAD

TRED

ERD

ESID

MAED

CCD

CRD

DEF D

ECD (E)

NEWS D

ODA

INFO D

PUSD

PS

PS/MR RIFKIND

PS/PUS

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MR GIFFARD

MR DONALD

MR EVANS

COPIES TO

PS/MR BAKER

MR B E HAINES (ICA) } DOI

DIO CABINET OFFICE

MR STEVENS C/AIR DOT

GRE2 DOT

MR KIRBY BANK OF ENGLAND

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