

**SPEECH BY
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AT THE MALAYSIA-NAMIBIA BUSINESS FORUM
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Excellencies, Ladies and Gentlemen,

First and foremost, I wish to congratulate Namibia on the 17th anniversary of its independence which was on the 21st of March, last month. At this time, we are especially reminded about the meaning of being sovereign in your own country because Malaysia is celebrating, this year, 50 years of peace and prosperity as an independent nation. In spirit, therefore, Malaysia would like to join Namibia in the celebration of its nationhood.

2. Namibia is the third destination in my current visit of three countries in Africa. This series of visits is a reflection of Malaysia's keenness to do business with and increase its profile in Africa. We are now in Windhoek because we recognize that there is much that Malaysia and Namibia can gain from more intensive engagements at both the official and business levels. I am therefore especially pleased to have this opportunity to interact with the business community of this vibrant country.

3. Addressing members of the business community is always a high point in my visits to foreign countries. This is because Malaysia is committed to the philosophy and believes in the usefulness of having a symbiotic relationship between the Government and the private sector. We firmly believe that this relationship is integral for achieving growth. We attribute much of our success in Malaysia to our Malaysia Incorporated approach to economic development.

4. The role of Government is to create and maintain a conducive, business-friendly environment. This is necessary to facilitate trade and investment. The role of the business community is to generate wealth and create jobs, as part and parcel of the process of economic and social development. This has been our winning formula in Malaysia and we intend to maintain it.

Excellencies, Ladies and Gentlemen,

5. In the first few decades after independence, Malaysia successfully transformed itself from an agriculture-based economy to a centre for labour-intensive manufacturing. We have since moved on to become a high technology, skills and capital-intensive manufacturing country.

6. In the course of our development, a continuing concern has been the need to ensure an equitable distribution of the country's wealth. While this is not a challenge unique to Malaysia, our approach has been deliberate and pragmatic. Our national Five-Year Development Plans, coupled with the overarching New Economic Policy, enabled us to affirmatively spread the wealth on the basis of an ever expanding economic cake. As Malaysians, we are indeed proud of what we have achieved and the progress we have made in every sphere, from trade and industry, to infrastructure, education and health, all of which have contributed to uplifting the quality of life in Malaysia.

7. To sustain the momentum of development, my Government launched two important blueprints in 2006, namely the Ninth Malaysia Plan and the Third Industrial Master Plan. Both Plans chart the way forward for Malaysia. The focus is the strengthening of the existing economic sectors, while generating new knowledge-intensive activities, especially in information and communications technology, biotechnology and the services sectors.

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8. Besides enhancing the business environment, Malaysia is also focused on improving its trade and investment relationships and other linkages at the bilateral, regional and multilateral levels. We are actively engaged in trade and investment liberalization initiatives in ASEAN, the association of ten Southeast Asian nations, O.I.C or the Organization of the Islamic Conference, as well as at the World Trade Organization, the W.T.O.

9. We are convinced that trade and investment liberalization among ASEAN member countries will make the region a more attractive investment base. It will also enhance intra-ASEAN trade.

10. Similar to Malaysia's place within ASEAN is Namibia's position in the South African Development Community and the Southern African Customs Union. It would be instructive for the Malaysian business community to note that the South African Customs Union, the oldest customs union in the world, provides access to a market of 200 million people in 14 countries. In addition, certain products made in Namibia enjoy duty-free and quota-free access into the United States as well as preferential entry into the European market under the Cotonou Agreement.

11. We are aware of Namibia's dedication to regional integration, as a dynamic member of the South African Development Community. From Malaysia's experience in ASEAN, I can vouch for the value of regionalism. Malaysia's trade with her ASEAN neighbours continues to grow because trade and investment barriers are increasingly being dismantled. For example, in 2006, Malaysia's trade with ASEAN countries amounted to USD 75.3 billion, an increase of 14.4 per cent over the 2005 total of USD 65.8 billion.

12. We expect to experience even more growth in intra-ASEAN trade and investment when almost all tariffs are eliminated after the ASEAN Free Trade Area becomes fully operational in 2010. Furthermore, the ASEAN region is expected to become an economic community by 2015, resulting in the creation of a single market. This will allow for the free flow of goods, services, investment and labour as well as a freer flow of capital.

13. We are aware that Namibia is very active on the trade liberalization front. It has recently concluded a Preferential Trade Agreement with Angola. It is actively engaged in negotiations with China for a bilateral free trade agreement. We know that similar initiatives are also in the pipeline with the European Union, under the auspices of the South African Customs Union. Such engagements in the broader regional context can lay the foundation for greater integration into the global economy. This is because such initiatives create market space and opportunities. They are especially pertinent for countries like Malaysia and Namibia which have relatively small domestic markets of their own.

14. It therefore makes business sense for members of our respective private sectors to meet and examine the opportunities that exist as a result of our engagements with our regional partners. We need to look at each other not in terms of single markets but in the context of the access that each country has to the larger regional markets. In the case of Malaysia, it is ASEAN and its dialogue partners. For Namibia, it is the rest of the South African region.

Excellencies, Ladies and Gentlemen,

15. The private sector should take note that both the Governments of Namibia and Malaysia have already laid the legal infrastructure for bilateral trade and investment facilitation. As far back as 1994, Malaysia and Namibia bilaterally signed the Trade Agreement, the Investment Guarantee Agreement and the Air Services Agreement. In 1997 we signed the Avoidance of Double Taxation Agreement.

16. In addition to these Agreements, MATRADE (the Malaysia External Trade Development Corporation) has been increasing its visibility in this country. Last year, MATRADE organized the participation of Malaysian companies in Windhoek's premier trade exhibition, the Windhoek Show.

17. My Government has also been promoting the sharing of expertise and experience between our two peoples through the Malaysian Technical Cooperation Programme (MTCP). Officials from Namibia have participated in short term courses offered by Malaysian public sector training institutes. More importantly, these courses have enabled the Namibian trainees to take part in familiarization programmes organized by the Malaysia Industrial Development Authority (MIDA). MIDA will be organizing another programme this year for agencies of South countries dealing with investment promotions. We look forward to welcoming officials from Namibia in this programme. It would be interesting to note that, thus far, 68 officials from Namibia have taken part in various courses in Malaysia under the MTCP.

18. We can therefore say that the Governments of both our countries have done their part in providing facilitative infrastructure and in strengthening regional linkages. It is now time for the business communities on both sides to deepen the engagements between themselves.

Excellencies, Ladies and Gentlemen,

19. A quick glance at our bilateral trade and investment data reinforces my view that our business communities have not adequately taken advantage of the possibilities that each side has to offer. For instance, since 2004 the bilateral trade between Malaysia and Namibia has been averaging less than 0.01 per cent of Malaysia's global trade. However, it is encouraging to note that the trade has shown an increasing trend. In 2006, total trade between Malaysia and Namibia amounted to the highest level ever at USD 29 million, with exports valued at USD 6.7 million and imports at USD 22.3 million. But the range of products traded is very narrow, comprising only textiles and apparel and precious stones.

20. I also note that the investment cross-flows between Malaysia and Namibia are equally limited. At this time, there is only one Malaysian company involved in the textile industry in this country. I have been informed that Malaysian companies have indicated interest in the automotive, pharmaceuticals, agriculture, financial and

telecommunications services sectors in Namibia. I hope they will soon find willing partners to do business with.

21. I have a special hope that Malaysian and Namibian entrepreneurs will find it advantageous to form strategic alliances in the particular area of tourism. This is one area where we both have comparative advantage. Both our countries have been blessed with the gifts of nature. Namibia is well known for its eco-tourism and safari parks. Malaysia is endowed with unique flora and fauna. Our service providers should seek opportunities to collaborate in this area and work together towards sustainable eco-tourism.

22. I am sure that today's seminar and the business sessions that follow will provide the opportunity to explore all these possibilities. I wish all participants success in their endeavours. Let me conclude by inviting you to come Malaysia to find out more about the opportunities available to you in our country. This year is a good time to visit because this is a special Visit Malaysia Year 2007.

Excellencies, Ladies and Gentlemen,

23. With that, I thank you for your attention.