

**THE OFFICIAL LUNCHEON HOSTED IN HIS HONOUR BY HIS EXCELLENCY
DR. HELMUT KOHL CHANCELLOR OF THE FEDERAL REPUBLIC OF
GERMANY**

BONN, 19 SEPTEMBER 1988

Your Excellency Dr. Helmut Kohl, Chancellor of the Federal Republic of Germany; Excellencies; Distinguished Guests; Ladies and Gentlemen.

Allow me to express my deep appreciation for your kind words of welcome and the gracious hospitality that Your Excellency and the Government of the Federal Republic of Germany have accorded me and my delegation since our arrival.

2. I had been looking forward to making this visit for some time and am pleased to finally make it. I should mention, however, that I am not entirely a stranger to your beautiful country, having been here on holiday several times many years ago and having also led two investment missions.

3. Germany, and the Rhine Valley in particular must be one of the most beautiful places in the world. It is perhaps that beauty which has inspired the development of your culture as manifested by the excellence of the Germans in music, literature and philosophy. Germany's post-war rehabilitation and progress is a tribute to the indomitable spirit, ingenuity and enterprise of her people. We in Malaysia admire you and have much to learn from your work ethics, organisation and your pursuit of precision and excellence.

Your Excellency,

4. I am pleased to note that the Federal Republic has shown a keen awareness of the aspirations of the Malaysian people and a positive appreciation of my government's policies to realise them. Our economic relations have steadily expanded particularly in the field of trade and investment. Indeed, the Federal Republic is our most important trading partner within the European Community.

5. Investment by the Federal Republic in the manufacturing sector in Malaysia has steadily increased over the years and today the Federal Republic is the sixth largest foreign investor in Malaysia. German entrepreneurs' commitment reflects not only their confidence in the soundness of our economic policies but also testifies to the political stability of Malaysia.

6. We are fully appreciative of the Federal Republic's advocacy of the liberalisation of international trade. It is imperative that the industrialised countries appreciate the fact that market access for our primary commodities and our manufactured goods goes a long way towards strengthening the socio-economic cohesion of developing societies and help cushion the cyclical depressions that they are subjected to. The prosperity of such countries as Malaysia will contribute to the prosperity of Germany and other developed countries for then we can buy more of your products.

Your Excellency,

7. I wish to note with deep appreciation the valuable contribution of the Federal Republic in the area of technical assistance. We are hopeful that the existing programme could be further expanded to areas essential to Malaysia' s industrial progress.

8. One issue of considerable concern to my government however is the anti-tropical timber campaign which seems to be more and more vociferous. This campaign is unworthy of its laudable aims for it grossly distorts facts and is discriminatory in its objective. I wish to emphasise here that Malaysia has already undertaken effective measures to conserve its forest, implement reforestation and develop compensatory plantation programmes along with a reduction of felling rate to maintain its ecosystem. We do not just see trees; we are deeply aware of the woods and the need to conserve them.

Your Excellency,

9. The recent Jakarta Informal Meeting involving for the first time all the four Cambodian factions is a positive development in the decade-old Cambodian problem. I also wish to stress here that the Afghanistan model is not applicable to the Cambodian problem for, inter alia, the Afghan accord did not address the question of political settlement in the wake of the Soviet withdrawal. In our view, the self-proclaimed unilateral withdrawal of Vietnamese troops by 1990 must be directly linked to a negotiated settlement. I wish to express here our gratitude for the support which the Federal Republic and the European Community have extended to ASEAN' s efforts towards a political solution to the Cambodian problem.

10. I also wish to record our deep gratitude to your government for having resettled some 3,500 Vietnamese refugees in the Federal Republic. Of late, we have reached an understanding with the Government of Vietnam which is prepared to accept the repatriation of those refugees in Malaysia who are not qualified for resettlement in third countries and to prevent fresh exodus of boat people. We are happy to note that Vietnam has agreed to participate in the Preparatory Meeting which Malaysia will host in November this year and the International Conference on the Indochinese Refugees early next year. We trust all the resettlement countries would extend their whole-hearted support to ASEAN' s initiative and make the Conference a success.

Your Excellency,

11. We are indeed encouraged by the advances in East-West Relations particularly the reconciliation over fundamental differences on arms control. The conclusion of the Intermediate-range Nuclear Forces (INF) Treaty has positively enhanced the prospects for improved East-West relations and of disarmament in Europe. We are convinced that an agreement to halve the strategic weapons through Strategic Arms Reduction Talks (START) would be a fitting sequel to the INF Treaty, thereby vastly improving the prospects for international peace and

security. We hope that the Mutual and Balanced Forces Reduction Talks would make definite progress especially in the area of conventional forces so that security and stability in Europe could be achieved at lower levels of conventional and nuclear forces. We are very conscious that what happens in Europe in the nuclear age will impact on the whole world.

12. On the economic front we in ASEAN have followed with great interest the European Community' s efforts to reach the highest level of integration to become a Single European Union by 1992. Our concern is that such maximum intra-regional scheme might produce a fortress Europe perspective which can undermine further the already limited market access for developing countries and divert Europe' s investment to the community' s low-cost member states with the result that the on-going efforts to promote greater European investment in ASEAN would be in vain. It is Malaysia' s hope that the march towards 1992 will not result in an inward-looking European Community and that it would remain committed to the liberalisation of global trade.

13. As a developing country which is increasingly dependent on world trade, Malaysia is very supportive of the Uruguay Round of Negotiations. We believe in strengthening the GATT so that it can adequately respond to the changing pattern of global trade. Efforts must therefore be made by all Contracting Parties to achieve early progress in the Uruguay Round in dealing with trade restrictions and distortions. Trade disputes in agriculture in particular should not be allowed to reach a point where they jeopardise all current negotiations. Malaysia and for that matter all developing countries do not only expect firm agreement on the agricultural sector at the Mid Term Review Conference in Montreal in December but also hopes that demonstrable progress will be made on as many fronts as possible, including in particular, concrete results on trade in tropical products.

Your Excellency,

14. I am gratified to note that our exchange of views has afforded me a better insight into the Federal Republic' s stance on many a regional and international issue of mutual concern. I trust that my visit have also focussed on some of the major issues of concern to us.

Distinguished Guests, Ladies and Gentlemen,

15. May I now invite you to join me in a toast to the continued health of His Excellency Dr. Helmut Kohl, Federal Chancellor and to the everlasting friendship between Malaysia and the Federal Republic of Germany.