

**THE OFFICIAL DINNER IN HONOUR OF HIS EXCELLENCY KHAMTAY
SIPHANDONE, PRIME MINISTER OF THE LAO PEOPLE
SRI PERDANA, KUALA LUMPUR (K.L), 8 DECEMBER 1992**

It is with great pleasure that my wife and I welcome Your Excellency, Madame Siphandone and members of your de- legation to Malaysia. We are particularly honoured tonight to have Your Excellency with us on your first official visit to Malaysia.

2. Although Malaysia and Laos are neighbours and had es- tablished diplomatic relations since 1966, bilateral re- lations between the two countries developed only in recent years. Your Excellency's visit therefore symbolises the be- ginning of a new era in our bilateral relations. Our common desire for and commitment towards independence, peace, sta- bility and mutual cooperation will promote better under- standing and cooperation between our two peoples, thereby further consolidating relations between our countries. Your visit, despite its brevity, gives both of us the opportunity to get acquainted and develop good working relations.

3. Earlier this afternoon, we had a very useful exchange of views on the whole spectrum of our bilateral relations as well as on regional and international issues. I sincerely believe that there exists considerable scope for the en- hancement of our bilateral relations. The scope and poten- tial for increased cooperation are vast in areas such as trade, investment and culture between our two countries. We must begin from now.

4. Malaysia and Laos have made significant progress in strengthening bilateral relations in recent months. Both countries have now upgraded their diplomatic representation to the level of Ambassadors, resident in the respective capitals. This, in itself, reflects our joint commitment towards fostering closer relations. I am pleased to note that there is now an increasing number of Malaysians visiting Laos. Some have been actively exploring the business and investment opportunities there. I do hope that Laotians will likewise also visit Malaysia to look at the various opportunities available here.

5. Today, Malaysia and Laos have signed three agreements, namely the Air Services Agreement, the Investment Guarantee Agreement and the Economic, Scientific and Technical Cooperation Agreement. These would form a good basis for future cooperation in various fields. I do hope that these agreements would provide the impetus for good and mutually beneficial economic cooperation between Malaysia and Laos. At the same time, I think we should take steps to promote all forms of bilateral cooperation.

6. We have followed with keen interest the many positive changes taking place in Laos. The implementation of policies oriented towards a free market economy may initially encounter difficulties. Notwithstanding these problems I am confident that Laos will successfully achieve the desired objectives. I understand that some good results have already been achieved since your Government began to implement this policy. On our part, as a friend and neighbour of Laos, Malaysia stands ready to cooperate in areas where we have the experience,

expertise and means consistent with our active support for and commitment towards greater South-South cooperation.

7. Your visit to Malaysia is indeed timely. The countries in Southeast Asia are individually and collectively in the midst of responding to the rapid changes in the international political and economic scene. There is a need to promote greater understanding and goodwill and to strengthen friendship and cooperation in the region. We must be willing to resolve old or emerging issues peacefully and refrain from actions that could be detrimental to our own well-being. This is now the time for the countries of Southeast Asia to forge ahead in their effort to develop and prosper in a climate of durable peace and stability.

8. The peace process in Cambodia, following the signing of the Paris Peace Agreement, is facing some challenges. I am sure that Laos, as an immediate neighbour of that country, is hopeful that the peace process would proceed smoothly and achieve its objectives. We in Malaysia share this hope. I recall that Laos and Malaysia had worked closely together with the Cambodians and other countries concerned towards the achievement of the Paris Peace Agreements on Cambodia. Both our countries made some useful contributions in our role as Co-Chairmen of the Second Committee of the Paris International Conference on Cambodia. The progress towards achieving the objectives of the Peace Agreements, we must admit, has not been smooth. A comprehensive and durable settlement in Cambodia can only be achieved if all the Cambodian parties were to fully cooperate with the United Nations Transition Authority in Cambodia (UNTAC) in the discharge of its mandate and respect the decisions of the United Nations Security Council.

9. In the full spirit of good neighbourliness and in the interest of regional peace, stability and cohesion, Malaysia has welcomed Laos' accession to the Treaty of Amity and Co-operation in Southeast Asia. We have also fully supported the decision of ASEAN to accord observer status to Laos. We look forward to the day when Laos will become a member of ASEAN. We firmly believe that Laos and other countries in Southeast Asia should be given the opportunity to make rapid progress from now on. This will set the stage for this region to become an even more dynamic growth area and a significant player in the world economic and trading systems.

10. We welcome the positive changes in the international political scene. But we are also concerned with the emerging new patterns of regional and international associations which seek to promote restrictions and exclusivity. New conditionalities are being introduced which tend to stifle the growth of developing countries. Under these circumstances, I believe there is an urgent need for closer cooperation among the developing countries. The recent G.15 Summit in which Malaysia participated have identified further areas of cooperation which could be undertaken among countries in the South.

11. There are strong prospects for expanding intra-regional cooperation in East Asia to enhance the dynamism of regional economies. The proposed East Asian Economic Caucus (EAEC) will contribute significantly to the support and

promotion of an open and free global trading system. The initiative would provide the necessary collective approach among countries in East Asia towards important issues of mutual concern to all of us in the region. I would like to reiterate here that the EAEC is intended to be a consultative mechanism which would allow countries in the East Asian region to discuss and harmonise their views on matters pertaining to the free flow of international trade and commerce.

12. I hope your stay in Malaysia will be an enjoyable one. We are aware that Laos has lost a great leader recently, the late President Kaysone Phomvihane. We share the sorrow with the Laotian people over the demise of President Kaysone. Your readiness to proceed with the official visit to Malaysia to strengthen bilateral relations and friendship in order to fulfill the late President Kaysone's wishes is highly appreciated by all of us.