

BUSINESS LUNCHEON

TASHKENT, 1 April 1993

Excellencies Distinguished Guests Ladies and Gentlemen,

I am pleased to be given this opportunity to address a joint session of businessmen from Uzbekistan and Malaysia. When I first visited Uzbekistan in 1987, I also brought with me a group of leading businessmen from Malaysia. At that time, trade and economic relations were conducted through Moscow. Since then and especially with Uzbekistan's independence in 1991, businessmen from our two countries have had the opportunity to have direct business contacts. This is a very important first step in the development and promotion of trade and economic cooperation between the two countries. However, despite the many official and business exchanges, very little business is conducted between our two countries.

2. Uzbekistan's economy is in transition to a market economy. Given the current policies and programmes in Uzbekistan, and with the gradual integration of Uzbekistan into the world economy, the situation will undoubtedly change. These changes provide many promising opportunities.

3. foreign investments and to process your natural resources are all to be expected. When Malaysia first achieved independence some 35 years ago, our main exports were primary commodities. Our manufacturing sector then accounted for only about 13 per cent of GDP in 1970 and only 12 percent of Malaysia's total exports. However, in 1992, the manufacturing sector accounted for more than 29 percent of GDP and about 69 percent of Malaysia's total exports.

4. As we very soon realise in Malaysia, if we wish to attract new foreign industrial investments into the private sector, happy with the investment environment. Like wise, if Uzbekistan is to attract that existing investors In Malaysia the relationships privates ector and the conscious listen to genuine private sector existing private sector a positive force in our own investment promotion efforts.

Ladies and gentlemen,

5. In Malaysia the private sector has been given a leading role in economic development; in fact it is the engine of growth. Since the early 1980's, a new concept of co operation between the Government and the private sector was introduced. The Government considers the private sector as partners in the development of the nation. The Malaysia Incorporated concept promotes the idea of the nation as a big corporation in which

everyone has to work to bring about success and mutual benefit.

6. It is the corner stone of its policy to make Malaysia a developed nation by the year 2020. I am sure that the vast experience gained by the Malaysian businessmen present here today would be invaluable in Uzbekistan's efforts to switch to a free market economy in the effort to rapidly develop the country. I, therefore, wish to urge business men from our two countries to share their experiences, to learn and to help each other for the mutual benefit of our two countries. This bilateral cooperation could be in the form of trading and investment. I am aware that Uzbekistan is one of the leading producers of cotton. You also have silk, gold, fresh fruits and vegetables, leather and cotton seed oil. In return Uzbekistan businessmen can use the foreign exchange earned to buy consumer goods, such as clothing, footwear, consumer electronics, furniture, telecommunication equipment, medicaments, food and other raw materials which your country needs. A bilateral payments agreement between our central banks can also help reduce the need for hard currency when trading with each other.

7. In addition to this, Uzbekistan businessmen in joint venture with Malaysian businessmen can set up marketing companies in Malaysia to source quality products from suppliers in the ASEAN countries and other East Asian Nations at much cheaper prices than can be supplied from the developed Western nations. Likewise a joint-venture supply base can be set up in Uzbekistan to sell to customers in countries bordering Uzbekistan thus creating a kind of entrepot base in your country. Of course such marketing arrangements can also help the export of Uzbekistan's produce. All these are possibilities worthy of consideration.

8. Malaysia also has certain expertise and technological skills. Uzbekistan too has skills and technology which Malaysia may find useful. Already Malaysian businessmen have been invited to participate in projects in several South countries. These include the building of low and medium cost housing, telecommunications, road development and laying of pipelines, oil exploration and production, free market financial managements, etc. These will be significantly cost efficient as compared to the high cost suppliers from the developed world.

9. There are also opportunities for investment. Here I would like to address the Malaysian businessmen in particular to consider reverse investment possibilities in Uzbekistan. During my talks with President Karimov, he has assured me that his Government is ready to provide all assistance and

facilities for Malaysian businessmen to invest in Uzbekistan. I also understand that Uzbekistan has a fairly attractive and liberal foreign investment law which provides guarantees which are normally sought by investors. The Government has also identified several areas of joint venture possibilities such as the blending of local cotton seed oil and palm oil, assembling of telephones, assembling or manufacturing of airconditioners, construction of tourism facilities, joint investment bank, and exploration for oil.

10. The opportunities presented are, therefore, vast and it is time we begin serious discussions, identify specific projects and work towards implementing them. All we need is one or two successful projects, which will then serve as a catalyst for greater economic interaction.

11. I would like to end by calling on you who are present here today, many of whom are captains of industry, to take the opportunities presented to set your immediate goal, thus bringing to fruition your discussions. Let us not let this opportunity slip by.