

THE MEETING WITH IRANIAN BUSINESSMEN

TEHRAN, ISLAMIC REPUBLIC OF IRAN, 4 April 1993

xcellencies Ladies and gentlemen. nd Mines f or giving me this opportunity to meet with you. ndeed I am privileged to have this dialogue with members of he Iranian business community who will be assuming a major ole in spearheading Iran's drive towards bigger trade and conomic growth. This meeting, I believe marks a significant ile stone in the process towards greater economic co peration and to enhance trade and investment between our wo countries.

1. The move towards increasing economic liberalisation f Iran is particularly significant to us. Such iberalisation will without doubt contribute towards a more rosperous Iran and provide the framework for greater conomic cooperation for the mutual benefit of both countries.

2. cultural and economic ties, economic and trade relationship between the two nations still remains small. Malaysia's annual trade with Iran, for example is only around seventy million US dollars compared with the much larger trade with other countries in the West Asian region. A further examination of the trade between our two countries reveals that trade is largely confined to petroleum, commodities and a few manufactured products. This situation does not reflect the actual potential that exists between our two countries which needs to be exploited. More visits, both at the government and private sector level are necessary to make us aware of each of her's economic potentials and opportunities.

4. interest which could provide the impetus for greater coopera tion between both countries in the coming years. Additional ly, there will be countries as well in

5. In ume a leading role in boosting the economic growth of the country. The private sector will continue to assume a major role while the government will determine the broad policy thrusts and strategies, the setting up of necessary institutions and the maintenance of a favourable environment for expansion and growth of private enterprise.

6. The government has also introduced the Malaysia Incorporated concept which aims to create an environment in which the public and private sector can cooperate and work together to create a stable business climate that is free of obstacles. Thus, it will enable the private sector to continue to be dynamic and aggressive in exploring new business opportunities either in side or outside the country. We believe that economic success can only be achieved if both the public and the private sector work in harmony.

7. It is noted that Iran has introduced measures to liberalise its economy and encourage private sector growth. This is clear indication that the government of Iran is committed to developing its economy by the same route like other countries including Malaysia, i.e. by welcoming foreign investments in order to overcome local entrepreneurial, financial and technological shortages. Malaysia is willing to cooperate and share her experiences in the economic field with Iran. development programmes particularly, in developing Free Trade Zones, telecommunication, housing, highways, ports, resorts, mining activities, as well as in investments in manufacturing and in financial, consultancy and other services. Malaysian industrialists and entrepreneurs have, over the years gained both experience and expertise in these fields and we are willing to share our respective expertise and know-how with Iran.

Ladies and Gentlemen,

9. As a country, Malaysia is committed to the principle of free trade. We note with concern the possibility of failure in the present Uruguay Round of Multilateral Trade Negotiations. We also note the increasing trend towards the formation of trading blocs and the creation of bilateral trading arrangements involving developed countries and their close neighbours.

10. These trends are likely to result in protectionist policies, leading to restriction of world trade, diversion of trade away from countries outside the bloc, and the disruption of the free flows of capital. Such a trend can have detrimental effects on the economies of developing countries which have trading and other economic ties with the developed countries concerned.

11. The detrimental effect of such a trend on our economies can those in the South strive to enhance trade and economic exchanges among them. concerted drive to enhance with countries of the South, ready a number of mechanisms both at multilateral, regional and sub-regional levels to facilitate and enhance trade and economic links between countries of the South. One such project launched by the G-15 is the South Investment and Trade Technology Data Exchange Centre (SITTDEC) which is located in Kuala Lumpur. SITTDEC provides the avenue for South countries to increase trade, investment and technology flows among them and I would urge Iran to become a member and thus be able to utilise the facilities available at the Centre.

Ladies and Gentlemen,

12. The presence of a large number of the prominent members of the Malaysian business sector in my delegation augurs well for the future Iran-Malaysia business and trade. It is also close countries. that you will have

Thank you.