

THE DINNER IN HONOUR OF THE HONOURABLE THE PRIME MINISTER OF AUSTRALIA, MR. PAUL KEATING

SRI PERDANA, KUALA LUMPUR, 15 JANUARY 1996

My wife and I are delighted to extend a warm welcome to you and Mrs. Keating as well as members of your delegation to Malaysia. Your visit represents an important milestone in the relations between Malaysia and Australia and reemphasises the common desire of both countries, despite their occasional differences, to maintain close and cooperative relations.

2. We have had useful meetings in Auckland and Osaka recently and I look forward to having more discussions with you and members of your delegation tomorrow.

3. Malaysia is a young country undergoing tremendous changes. Development is being pursued in all areas. The Malaysian Government is dedicated to improving the well-being of the people. Although much has been achieved since Independence, we still have some way to go to reach the level attained by Australia. We are however confident that the objective of becoming a fully developed country can be achieved within the target date.

4. A country at a stage of rapid development must necessarily encounter many challenges. This is more so for multiracial Malaysia. Major adjustments including reforms, social engineering and restructuring have been made in the interest of socio-economic justice. Discipline has to be inculcated. Law and order have to be preserved. Sacrifices become necessary. It is only within such a context that Malaysia's development can be pursued. Such is also the backdrop to our position on democracy, human rights and environment. In this we count upon our friends for understanding and support as partners in progress.

5. We would like to think of Australia as one such friend. Our relationship goes back a long way and has stood the test of time. To be sure hiccups have occurred but these have not affected the substantive aspects of our relations. It is a credit to both countries that good sense has prevailed each time. It is perhaps also a measure of the maturity of our relations.

6. At the bilateral level, I am pleased to see progress made in the field of trade. Two-way trade has increased to over RM 5.1 billion for the first eight months of 1995 compared to RM 4.1 billion for the corresponding period in 1994. Malaysia today is Australia's third largest ASEAN trading partner and the eleventh largest export market. I see tremendous potentials in manufactured products accounting for a major

portion of our two-way trade as we take advantage of the benefits of industrial development. Malaysia too looks forward to the satisfactory conclusion of a new Trade Agreement with Australia to provide greater impetus to the growth of trade between our two countries.

7. Two-way investment has also seen encouraging progress. Australia is today the fourth largest investor in Malaysia with more than 200 Australian companies with equity interest in Malaysia. Malaysian investment in Australia on the other hand has also grown by 34 percent in 1994 to progressively cover new areas. I hope that the potentials for increased joint ventures could be further exploited by the private sector of both sides through closer collaboration between MIDA and the Malaysia-Australia Business Council together with promotional efforts undertaken within the framework of the ASEAN-Australia Economic cooperation Programme.

8. The presence of more than 10,000 Malaysian students in Australia complement those who have already benefitted from Australia's educational facilities, providing one of the most valuable and enduring bonds between our two countries. Malaysia will continue to send students to Australia whilst at the same time welcoming Australians to similarly pursue their studies in Malaysia.

9. There is certainly much to be proud of in respect of our relations. Nevertheless they need to be further developed. We need to avoid or at least to limit the type of hiccups which off and on bedevil our relations. In this regard, I fully agree with your views, Prime Minister, expressed recently, on the need for both sides to remove whatever preconceptions which can impede a clear view of each other.

10. Malaysia is prepared to respond positively to such views. It is timely that misconceptions be removed and replaced with a more positive attitude in the conduct of our relations. It is also timely that negative actions by those bent on sowing discord and misunderstanding be restrained so as to prevent similarly negative reactions from either side. The principle of mutual respect should be adhered to by all parties. I can assure you, Prime Minister, that Malaysia would play its part in developing a climate of cooperation beneficial to both sides. We are sure that Australia will do the same.

11. In moving ahead together, I am glad to note that the necessary framework for bilateral cooperation has been put in place. Six major agreements have been successfully concluded to cover various areas of cooperation. The establishment of the Malaysia-Australia Foundation in 1994 followed by your recent launching of the Australia-Malaysia Society in Canberra

should augur well for closer people-to- people contacts whilst providing new opportunities for greater trade and economic cooperation between our two countries.

12. In conclusion, let me once again extend a warm welcome to you and members of your delegation to Malaysia. Your visit, although brief, clearly demonstrates Australia's firm commitment to strengthen its relations with Malaysia. I hope that you will have a pleasant and memorable stay in Kuala Lumpur and that you will be able to find time to visit us again.