

## **THE BOSNIA-HERZEGOVINA - MALAYSIA BUSINESS MEETING**

SARAJEVO, 19 APRIL 1996

Amidst all the hardship and tragic circumstance in Bosnia and Herzegovina today, I am indeed encouraged by the enthusiasm and cordiality prevailing at this meeting of peoples from our two countries. I welcome this opportunity to address the business communities of both our countries. This meeting which is aimed at providing an informal forum for the meeting of minds between the businessmen of Bosnia-Herzegovina and Malaysia should explore ways and means of cooperating in the reconstruction of this ravaged country.

2. It is our belief that economic recovery and growth is the most effective way of guaranteeing social and political stability and the longer term prosperity of Bosnia-Herzegovina. Therefore, this gathering has been organised with the specific aim of identifying areas of cooperation between Bosnia-Herzegovina and Malaysia, to enable the private sectors of our two countries to begin the process of reconstruction of Bosnia-Herzegovina, together. I hope to see this task started without delay.

3. To me, the relationship between the peoples of Bosnia-Herzegovina and Malaysia is a very special one. While Malaysia may be far away we cannot help but be moved by the bravery of your people in the face of overwhelming odds, particularly as the world deprived you of your basic rights to defend yourself. While our common religion may be a factor, it is also the gross injustice that moved us. And so we have stretched out our hands of friendship for we understood the loneliness of days of trial. Now is the time for the reconstruction of your country and we would like to be of some help. The Malaysian private sector is here today in response to the call of the government, to stand shoulder to shoulder with their Bosnian counterparts and the international community, to help put Bosnia-Herzegovina back on the path to economic recovery.

4. Malaysia would like to go beyond symbolic gestures, and earnestly contribute to the rebuilding of Bosnia-Herzegovina in areas which are within our expertise and capability. It is our conviction that in addition to humanitarian assistance, we should focus on practical areas of social development that will immediately help alleviate the hardships of the people and lay the groundwork for sustained economic recovery. We understand that agencies of the United Nations will be involved in the restoration of water supply, electricity, housing, education, telecommunications and road building. But we would like to play a role here. In addition, we will look

into housing and the rehabilitation of industries in which we may have some expertise.

5. It has now been estimated that up to 65 percent of the industrial capacity in Bosnia and Herzegovina has been destroyed, resulting in shortages of basic necessities like food, clothing, medicine and construction materials. In this respect the Malaysian private sector should explore the possibility of establishing depots in Bosnia- Herzegovina for the distribution of essential goods. As a longer term measure, the business community of our two countries should make attempts to identify and evaluate the possibility of rejuvenating industries to supply the basic needs of the people.

6. Malaysia, which also has a federal system of government, subscribes to the same ideals of a multi- ethnic society as Bosnia-Herzegovina. We are prepared to share our experiences in institutional and community rebuilding, which can be a critical component in the process of recovery and economic development of the new Bosnia and Herzegovina Federation. We are also prepared to share our expertise and to train Bosnian technical staff and administrators in important skills in nation building, which may be in short supply in Bosnia-Herzegovina today. Malaysia can also impart its experience in privatisation, foreign investment legislation and economic development planning through the exchange of senior officials and their attachment to various agencies for training in Malaysia.

7. We note with great admiration the resourcefulness of the Bosnian people and the speed at which you have begun the monumental task of rebuilding your lives and your country. There are clear indications that the spirit of self-help that is driving economic life in the major urban centres, has also brought about macroeconomic stabilisation since 1994 and recovery of output since the spring of 1995. These developments give hope for the future. The government on its part is laying the groundwork for a legal institutional framework to promote economic efficiency, private enterprise and privatisation. I am confident that, given its strong human capital base and increasingly pro- business policies, Bosnia-Herzegovina with the support of the international community will soon re- emerge as a successful economy.

8. Bosnia-Herzegovina has a strong entrepreneurial tradition, supported by well-trained and skilled workforce, which should facilitate the recovery of the manufacturing and mining sectors in the country. This sector, I believe, accounted for about 50 percent of GDP. Employment generation therefore hinges on the rehabilitation of these two sectors. These

industries need infusion of new capital to get them restarted. The Malaysian business community should take up this challenge to participate in the rehabilitation of the manufacturing and mining sectors of Bosnia-Herzegovina. The industries that have been identified by the Bosnian-Herzegovina government for rehabilitation are timber-based products, metal products, agro-industries, textiles, construction materials, shoes, chemicals, automobiles and carpets. With the enhancement in productive capability and availability of relatively competitive labour, Bosnian industries should be able to regain their markets.

9. I sincerely believe that in the course of reconstruction, large sectors of the economy will be privatised. Given the scarcity of resources and the urgency of reconstruction, it is inevitable that the task of reconstruction will eventually be private-sector led. Malaysian companies experienced in handling privatised government agencies may find interesting opportunities should the Government of Bosnia-Herzegovina turn to private companies for the reconstruction work.

10. The amount of resources required for the initial reconstruction of Bosnia-Herzegovina is estimated at US \$5.1 billion. Thus far, the amount committed by international donors falls far short of the sum required. The international community should fulfil its obligations to assist Bosnia lay the social and economic foundations without delay. Continued peace and stability in Bosnia-Herzegovina hinges on the speed with which these commitments are realised. I urge the international community to urgently address this issue which is essential to the economic recovery of Bosnia-Herzegovina.

11. I am confident that the resilience and spirit of self-help that is evident everywhere will sustain the present momentum of economic recovery in Bosnia-Herzegovina. Malaysia will focus its reconstruction efforts on helping Bosnians help themselves while also contributing to social and economic recovery. We see many areas for such cooperation. I am encouraged by the news that some joint venture projects between our private sectors are already in the pipeline. I am confident that many more such ventures which are mutually beneficial will take off as a result of this meeting.