

**THE OFFICIAL DINNER IN HONOUR OF H.E. MR. VACLAV KLAUS PRIME
MINISTER OF THE CZECH REPUBLIC**

SRI PERDANA, KUALA LUMPUR, 9 SEPTEMBER 1996

It gives me great pleasure to extend to Your Excellency and Madame Klausova as well as members of your delegation a very warm welcome to Malaysia. My wife and I are particularly delighted by your gracious presence at this evening's dinner. This visit is a tangible and encouraging manifestation of the close and friendly relations between our two countries. On our part, Malaysia remains committed to the intensification of relations with the Czech Republic and trusts that the potentials which exist could be further developed for the mutual benefit of our two countries.

2. There have been dramatic political and economic changes in the countries of Central Eastern Europe in the past decade. The tasks, requiring a paradigm shift for both the political leadership and the people, have seen major structural changes. We in Malaysia are highly impressed by the versatility and resilience of the Czech people in bringing about the many positive changes. Under your visionary and pragmatic leadership, the Czech Republic has indeed crossed the threshold and emerged as a stable, prosperous and confident country. We note that the Czech Republic has achieved more in the last few years than some of the established market economies. The much coveted membership of the OECD into which the Czech Republic was accepted last year is testimony of the remarkable progress your country has made.

3. Given Malaysia's strong trading orientation, the Czech Republic is an attractive gateway in Central Eastern Europe to further develop trade and economic ties with the region as a whole. As a member of CEFTA, Visegrad Four and as an associate member of the European Union your country is well placed to facilitate access for Malaysia's exports not only in the newly emerging markets of the region but also in the European Union. Likewise, Malaysia could provide the natural springboard for Czech businessmen and traders to venture into non-traditional markets in the ASEAN and East Asian Region.

4. It is a source of satisfaction that trade between our two countries, although small, has shown a positive trend. There are many possibilities for increasing bilateral trade and economic cooperation as we share similar growth-oriented economic policies with emphasis on privatisation and manufacturing. Malaysia is now beginning to set greater focus on capital intensive and high technology industries. In this respect, there are abundant opportunities for Malaysian and Czech businessmen to collaborate on a joint-venture basis. This would also enhance our competitiveness and stand us in

good stead to undertake joint ventures in third countries as well.

5. It is most heartening that Your Excellency's delegation includes representatives of the increasingly important Czech private sector. Their contacts with the Malaysian counterparts will stimulate fresh interest for business partnerships with one another. The signing of the Investment Guarantee Agreement this afternoon has provided an additional facility to promote long term business confidence, trade and investment between Malaysia and the Czech Republic.

6. Cooperation in the tourism industry is another area which Malaysia and the Czech Republic could develop. Interactions between ordinary people will also promote better appreciation and understanding of Asian and European values.

7. On the multilateral front, Malaysia and the Czech Republic share the common concern that new extraneous issues are being imposed on the future programme of the World Trade Organisation. Such attempts by certain developed countries are unfortunate. Any attempt to link international trading rules with unrelated social and political issues would place severe strains on the multilateral trading system. Such linkages should be rejected.

8. Malaysia and the Czech Republic have also been showing common concern for the plight of the people in Bosnia-Herzegovina. The Dayton Peace Agreement despite its fragility has brought peace and hope to the Bosnians. Like the Czech Republic, Malaysia remains committed to the peace process and will actively contribute to the reconstruction of that war torn country. In this regard, the private sectors from both our countries could also jointly participate and contribute to the reconstruction efforts of Bosnia-Herzegovina.

9. The future outlook for bilateral relations between Malaysia and the Czech Republic is positive and promising. Our common perception on a number of global issues and the rich potential for economic collaboration between our two countries, will serve as a solid basis for the deepening, consolidation and enhancement of our future relations and cooperation.