

**THE MALAYSIA-GUINEA BUSINESS SEMINAR**  
CONAKRY, GUINEA, 6 NOVEMBER 1996

It gives me great pleasure to be here in Conakry today in conjunction with the Malaysia-Guinea business seminar. I welcome this opportunity to address the business communities of both our countries, as it provides an ideal opportunity for the meeting of minds and exchange of ideas between our businessmen. The business communities of our two countries have a critical role to play in forging and enhancing bilateral relations between us. In this context, Malaysia hopes that increased interaction between our two countries, through visits and forums such as this, will boost bilateral trade, eventually leading to the strengthening of relations between the peoples of Guinea and Malaysia.

2. The realignment of economic forces and business, globally, requires a reappraisal of traditional forms of relationships among nations. Developing countries like Guinea and Malaysia should take the opportunity to forge mutually beneficial trade and business alliances with new and non-traditional partners consistent with the realities of the world. Distance and history need not stand in the way of us making new friends, and learning from the experiences of others in different parts of the world. In the past, the lack of knowledge about each other had been the main obstacle to the development of relations between Malaysia and countries in this region.

3. Today's modern communications systems has made the world a very much smaller place, hence physical distance between Malaysia and this part of the world should cease to be an impediment to the advancement of our ties. The barriers are more psychological than real. Malaysia has strong economic and cultural relations with countries which are even further away than Guinea, and accessibility has never been a problem. North America, for example, is one of Malaysia's major trading partners. During the apartheid era, South Africa was a very remote destination for most Malaysians. However, within a very short span of time after sanctions were lifted, South Africa has emerged as Malaysia's most important trading partner in Africa. Likewise, I believe there are no reasons to prevent Guinea from emerging as the focus of Malaysian business activity in Western Africa. What is important is the persistence of interaction between our two countries at the political and commercial levels.

4. It is in this light that Malaysia seeks new friends in Africa. This mutually beneficial experiment in the spirit of South-South cooperation, was given further meaning when His Excellency, President Gen. Lansana Conte visited Malaysia in September 1995. My return visit today, is testimony to our seriousness in enhancing bilateral relations with Guinea and with this part of the world. It is significant that I am accompanied by about 90 corporate leaders from Malaysia, representing some of the leading companies in the country from sectors such as telecommunications, power generation, mining, property and infrastructure development, banking and trading. I am confident that this visit of Malaysian businessmen who have accompanied me to Guinea will enhance the ties initially established in Kuala Lumpur and explore new areas of common interest.

5. We in Malaysia are encouraged by the successful economic and fiscal reforms undertaken by the new Government in Guinea. The ongoing economic liberalisation and privatisation of industries has already laid the groundwork for increased efficiency and growth in key sectors of the economy. The reforms, while creating greater international confidence among foreign investors, has also increased the prospects of sustained economic growth in Guinea which reached 4.6 percent in 1995.

6. Malaysia is appreciative of the formidable task faced by the Guinean Government in developing the country. Therefore, Malaysia expects that its relations with Guinea should go beyond the area of business and cater to the nation building needs of Guinea as well. This commitment is attested by our efforts to complement the programs of the Guinean Government to meet the basic needs of the people. Malaysia has taken the initiative to work with Guinea in moving towards food self sufficiency through the development of rice farming, milling and distribution. We are prepared to work together in other areas to assist the government in realising its socio-economic objectives where we may be competent. Likewise, Malaysian businessmen here today could explore mutually beneficial ventures that would bring more lasting and meaningful benefits to our peoples.

7. It is reported that agriculture which accounts for almost 24 percent of GDP, and employ 80 percent of the workforce, has much potential for development in Guinea. I propose that Malaysian companies which are known for their plantation expertise take a serious look at transferring their know-how to Guinea. Malaysian companies could establish new plantations in Guinea. Alternatively, downstream activities based on the processing of coffee, cocoa and other agricultural produce could be undertaken together.

8. The mining industry in Guinea accounts for 85 percent of the country' s exports. Guinea is endowed with resources such as bauxite and vast reserves of other untapped minerals which have the potential to contribute to the economic growth of Guinea. Malaysian investors could heed the call of the Guinean Government to help develop this potential through joint ventures with their Guinean counterparts. It is heartening to know that some Malaysian companies are already at an advanced stage of negotiation in investing in some of these ventures. Development of the mining industries should open the threshold towards broad base industrialisation in Guinea particularly in down stream mineral processing activities. This is all the more feasible as Guinea is reported to have excellent potential for generation of competitively priced power from hydro-electric sources.

9. Bilateral trade between Guinea and Malaysia although relatively small has been growing steadily from US\$3.7 million in 1994 to US\$4.6 million in 1995. The structure of trade between our two countries indicates that there are definite areas of complementarity between us. While Malaysia imports raw materials required by its industries, Guinea on the other hand, imports manufactured products made up of detergents, processed palm oil, and articles of plastics from

Malaysia. The present level of trade with Malaysia is low compared with Guinea' s total global trade of US\$1,400 million in 1995. Guinea' s major exports of bauxite, alumina, gold and coffee could easily find markets in Malaysia. Malaysia' s low import tariff regime provides opportunities for strengthening this complimentary trade relationship between Guinea and Malaysia. Guinean businessmen should take advantage of this by exporting more to Malaysia.

10. I also urge the business community of Guinea to explore fully Malaysia' s capability to cater for the consumer and industrial requirements of Guinea and its neighbouring markets. Malaysia' s competitively priced products could substitute for many manufactured goods which Guinea currently sources from elsewhere. I would like to suggest that Guinea use Malaysia as their base to source consumer products and industrial inputs from the dynamic East Asian region of which Malaysia is a strategic part. As a member of the Economic Community of West African States, which is set to become a free trade area, Guinea could position itself as a gateway of the West African markets for imports from the Asean region.

11. It is Malaysia' s experience that to ensure the success of market reforms and reinforce economic growth, infrastructure development is a necessary prerequisite. Malaysia has extensive experience in infrastructure and rural development. We believe that the Malaysian and Guinean private sector can complement each other in the fields of tourism, housing, power supply and infrastructure development in Guinea. We would like to offer to jointly develop these services for Guinea. I urge the Malaysian private sector to address such key areas as housing and rehabilitation of power supply as it would contribute directly to the quality of life in Guinea and lead to other economic spin-offs as well.

12. As Guinea and Malaysia are countries with small domestic markets it is imperative that we have a global outlook to achieve growth. Let us therefore explore ways of working together in the international market. Malaysian companies, should take a longer term view of their operations in Guinea and participate as good corporate citizens in the country' s development. They should seek joint ventures which would enable them to tap the European markets as Guinea has a special relationship with the European Union under the Lome Convention.

13. Given the present momentum of change, I am confident that the Guinean economy will soon be able to achieve sustained economic growth. Malaysia on its part will urge its private sector to work together with their Guinean counterparts to achieve Guinea' s national goals.