

THE BUSINESS LUNCHEON HOSTED BY MATRADE
ACCRA, REPUBLIC OF GHANA, 9 NOVEMBER 1996

Let me first of all say how happy I am to be here today in Accra and to be given the opportunity to address this gathering of prominent members of the Ghanaian and Malaysian business community. A meeting such as this enables us to discuss and exchange views on matters of common interests and eventually contribute towards the strengthening of bilateral relations between our two countries.

2. This is the first official Malaysian business delegation to visit the Republic of Ghana. I believe there were many reasons for the relatively low level of bilateral relations in the past. However, with the globalisation of the world economy, a whole new chapter in relations among nations is being established. It is our desire that bilateral relations between the Republic of Ghana and Malaysia be upgraded by enhancing trade and economic cooperation between our business communities. This can be further strengthened later on by more frequent exchanges of visits, both at the official and business sector levels.

3. The Republic of Ghana and Malaysia both subscribe to a free market system, where private enterprise assumes a leading role in the economy. This meeting of the private sectors of our two countries is aimed at providing the opportunity to discuss and map out strategies for our mutual benefits through private sector led initiatives. I am accompanied by about 90 businessmen who represent sectors like banking, telecommunications, property development, mining, construction, energy and tourism. They are keen to establish business partnership with their Ghanaian counterparts.

4. This meeting in Accra, I am sure, will build upon the initial ties established during the two earlier visits in 1995 by Ghanaian businessmen to Kuala Lumpur, one of which was led by the President himself. The workshop on 'Investment Opportunities in Ghana' which was also held in Kuala Lumpur last year had generated great interest among the Malaysian business community. In this respect, it is heartening to note that some business ventures are already being implemented or are at an advanced stage of negotiations.

5. Malaysia has followed with great interest the bold market reforms and the wide-ranging economic restructuring undertaken by the Ghanaian government. The adoption of Economic Recovery Programme (ERP) in 1983 and the privatisation of state corporations under the Divestiture Programme in 1988 has resulted in increased output in many sectors of the economy. We are glad that these efforts are now bearing fruit with economic growth expected to reach five percent in 1996.

6. The recent efforts by the Government to make the Republic of Ghana the commercial, financial and maritime hub of this sub-region is a move in the right direction. Malaysia, which has always been a trading nation supports this efforts and we are prepared to cooperate with the Republic of Ghana in establishing

meaningful bilateral trade relations.

7. Bilateral trade between the Republic of Ghana and Malaysia, although small in relation to Malaysia's global trade has been growing steadily. Between 1990 and 1995, bilateral trade grew on average by 60.3 percent per annum, reaching US \$6.6 million last year compared with just about US\$700,000 five years ago. During this period Malaysia's exports to the Republic of Ghana expanded by about 60 percent each year to reach US\$3.9 million in 1995. On the other hand, Malaysia imported some US\$2.7 million worth of products from the Republic of Ghana last year. About 35 percent of these imports were made up of raw materials.

8. The present level of trade and the narrow range of products traded does not reflect the true potential for bilateral trade between our two countries. I strongly believe that there is considerable scope for expansion of bilateral trade. While Malaysia can be a competitive source of imports for Ghana's growing economy, the local business community here should also explore ways of exporting more of Ghana's products to Malaysia. The business community from our two countries should not be constrained by the myth that trade cannot occur and grow among developing countries like ours. Malaysia's exports to countries of the South rose from 12.2 percent in 1990 to 16.5 percent of total exports in 1995, thus disproving this notion. I urge you, ladies and gentlemen, to prove that trade between the Republic of Ghana and Malaysia is not only possible but can also grow rapidly.

9. Malaysia advocates greater South-South cooperation through trade among developing countries who share the common aspiration of self-reliance. It is also our belief that members of the South countries should work together to improve their condition through mutually beneficial trade and other economic activities. Malaysia, therefore, actively encourages its private sector to trade and to invest in other countries of the South in order to contribute indirectly to their economic development. Malaysian companies have responded to this call, and it is in this spirit that Malaysian businessmen are here today in the Republic of Ghana.

10. Malaysia's development experience has shown that one of the prerequisites for sustained economic take off is the development of an adequate and efficient infrastructure. It is therefore fitting that the Republic of Ghana is targeting to upgrade its communications facilities and power generations to support other economic activities in the country. Malaysian companies have successfully ventured into the South markets and accumulated considerable experience in highway construction, housing and hotel development, power supply, oil and mineral exploration and telecommunications. Malaysia is prepared to share her experience in these areas with the Republic of Ghana. Malaysian businessmen who are present here today are also keen to invest directly in the 53 projects that are being privatised by the Ghanaian authorities or acquire equity in the 69 enterprises that are open to foreign participation.

11. Malaysia's globalisation strategy also encourages its industries to relocate in countries of the South where viable and appropriate. Malaysian industries are

moving to new locations in search of resources and factors of production which are abundant and competitively priced. Malaysian companies have also successfully ventured worldwide into the services industries like banking, mining and tourism related projects. This meeting today should also be viewed as a platform for the private sector in both countries to explore the possibility of going into downstream manufacturing activities, utilising locally available resources like minerals, timber and other agricultural products.

12. Apart from exploring the economic potential in each other' s country, the Ghanaian and Malaysian private sectors should also explore opportunities for cooperation in third countries. We should focus our attention on the newly emerging markets in the West and Central African region where Ghanaian and Malaysian enterprises could combine their individual resources and experience. For example, they could seek joint ventures to import, warehouse and distribute Malaysian manufactured products in Ghana, its neighbours and other land locked markets in Africa and similarly export these countries' products via Ghana.

13. The Republic of Ghana and Malaysia have already put in place the necessary framework to enhance business and trade in the form of a `Trade Agreement' , and `Economic, Technical, Scientific and Cultural Cooperation Agreement' and an `Information Cooperation Agreement' which were signed in Malaysia late last year. Further to this, the bilateral `Agreement for the Promotion and Protection of Investment between the Republic of Ghana and Malaysia' is to be signed during this visit. These agreements represent the sincerity and commitment of our two nations to cooperate and promote bilateral economic relations. Now, it is the turn of the private sectors of the Republic of Ghana and Malaysia to take advantage of these agreements and to turn these aspirations of our two governments into reality. I therefore, urge both the Ghanaian and the Malaysian business community to identify areas of cooperation which they could undertake for mutual benefits.

14. In the spirit of South-South cooperation, Malaysia is prepared to share its experience in privatisation, foreign investment promotion and economic development planning with the Republic of Ghana. Under the Malaysian Technical Cooperation Programme (MTCP) in Malaysia, many participants from the South countries, including the Republic of Ghana, have been exposed to relevant areas of training and experience.

15. The Ghanaian people have shown strong resilience and capability in achieving economic recovery within a short period. I am confident that the foreign business community will view the recently introduced Privatisation Act and the setting up of the Ghana Investment Promotion Center as affirmative actions towards creating a more conducive investment climate in this country. I am certain that the Malaysian business community will also respond positively to the initiative taken by the Ghanaian Government.

16. Lastly, I urge the Malaysian business community doing business in the Republic of Ghana to take a longer term view of their business interests in this

country and seek to establish lasting business relationships that are reciprocally beneficial. They must always take care to be good corporate citizens sensitive to the aspirations of this country. I am certain the Republic of Ghana will continue to create the necessary environment to make this country an attractive place to do business.