

**THE OFFICIAL DINNER IN HONOUR OF H.E. ZLATKO MATESA PRIME
MINISTER OF THE REPUBLIC OF CROATIA
SRI PERDANA, KUALA LUMPUR, 03 MARCH 1997**

1. My wife and I have great pleasure in welcoming you, Mr. Prime Minister and members of your delegation to Malaysia. Your visit to Malaysia is an important milestone in the close and friendly relations that Malaysia and Croatia have been able to develop in the past six years.

2. In the course of my two visits to your beautiful country I had the opportunity to observe the tremendous progress being made to uplift the well-being of the Croatian people. Important steps are also being taken to establish a durable peace not only in your country but also in the surrounding region. A climate of peace, stability and mutual trust and confidence is an important prerequisite to economic growth. I fully appreciate the important steps that the Croatian Government has taken.

3. The economic stabilisation programme which Croatia has actively pursued has generated positive results in bringing renewed confidence to the business environment in Croatia. Towards this end, Malaysian companies have been encouraged to tap the economic potentials through joint-ventures with the Croatian companies. Indeed, Croatia's strategic geographical position in the region makes it a logical gateway to Central and South-Eastern Europe.

4. Malaysia views Croatia as an important conduit for trade and services with Central and South-Eastern Europe. With Croatia's ability to adapt to the fast changing international business environment, more business ventures could be generated between our two countries. We are encouraged that Malaysian goods are becoming more visible in Zagreb and we hope the trend continues. By the same token Malaysia hopes to see more Croatian goods in our country. There is no doubt that tremendous opportunities exist for increased trade and investment cooperation.

5. Malaysia has had some experience in building a peaceful, stable, prosperous multi-ethnic and multi-religious society. Our plural society has helped create a unique Malaysian cultural identity. We place great emphasis on the importance of all the ethnic groups working together harmoniously as a united force to compete globally in the regional and international market. Rather than look back at historically different ethnic origins, we have looked forward to bridging the differences through creating mutual understanding and a healthy respect for one another's customs and culture.

6. Malaysia welcomes Croatia's foreign policy commitment to play a positive and constructive role in ensuring that durable peace prevails in the South-Eastern European region. While Croatia has successfully attained its 1,000-year dream of nationhood, Bosnia and Herzegovina is still grappling with the fundamental issues of territorial integrity and governance. With Croatia's understanding and the crucial role of the international community, Bosnia-Herzegovina has been given a sovereign personality of its own. This sovereign personality can only be

nurtured through an extraordinary effort to rebuild that country. In this regard, Malaysia is encouraged by the support shown by Croatia.

7. The people of Malaysia have followed closely the plight of Croatia and Bosnia and Herzegovina during these turbulent years. As a multi-religious and multi-ethnic society, our hearts reach out to the victims of fratricidal wars - the innocent and the oppressed. The trauma, the suffering and the untimely death are the same whether they are Muslims, Catholics, Orthodox Christians or others. The memory of the horrors of the four-year old war lingers on. It will not be easy to forget. Obviously, we must first rebuild what was damaged by that war. Hopefully this will help remove some of the scars of the war both mental and physical. Time we hope will heal the wounds and a new and more tolerant society will emerge.

8. Malaysia intends to continue to cooperate with other countries in building a climate of durable peace in South-Eastern Europe. We believe that peace and stability in Bosnia and Herzegovina will be good for the entire region. It will be good for Serbia. It will also be good for Croatia. Confidence in the business climate will improve and the uneasy political and security situation will no longer be a source of concern. With regional stability in place, the focus of government can shift to urgent economic priorities.