

**THE DINNER IN HONOUR OF H.E. GYULA HORN PRIME MINISTER OF THE
REPUBLIC OF HUNGARY**

SRI PERDANA, KUALA LUMPUR, 21 APRIL 1997

I am indeed pleased to welcome Your Excellency, Madam Anna Horn and the members of the Hungarian delegation to Malaysia. This official visit which includes Cabinet Ministers, senior officials and some members of the private sector is a clear demonstration of the dynamism in our bilateral relations.

2. Malaysians recall clearly the visit of His Excellency Dr. Arpad Goncz, President of the Republic of Hungary to Malaysia in 1992. I had also made an official visit to your beautiful country in 1987. These visits and those of other leading personalities from both our countries have provided us the opportunity to get to know each other better. Our two countries have also been holding exploratory discussions on various areas in which we can collaborate.

3. The Agreement on Scientific and Technical Cooperation and the Memorandum of Understanding (MOU) pertaining to the Promotion of Trade that were signed today will broaden further the scope of our bilateral cooperation. Malaysia and Hungary have previously signed other agreements. Taken together, these agreements provide a good framework for trade, economic cooperation, research and development and tourism.

4. Our two countries have also recognised the need to foster closer contacts between our respective private sectors. Such contacts would encourage them to seize the opportunities to exploit the vast business potentials that exist in our two countries and in third countries. I am confident that the complementarity that exists in our two economies will result in good private sector networking.

5. Hungary's highly developed industrial and technological capacity is not well known enough among Malaysian industrialists. In this respect, we would like to encourage Hungary to hold exhibitions and seminars like the one that is being currently held in conjunction with this visit. This would serve to broaden the knowledge of Malaysian industrialists and other entrepreneurs and enable them to identify areas for possible joint-ventures.

6. Hungarian investors are warmly welcomed in Malaysia to participate in our national development projects and in the manufacturing sector. There is scope for Malaysia to use Hungarian expertise, particularly in high technology relating to the production of machinery, railway engineering, power transmission lines and timber-based products.

7. Malaysia which is strategically located in the fast growing East Asia region can be used as a base by Hungarian businesses interested in gaining access to this lucrative market. On our part, we will continue to encourage our entrepreneurs to participate in economic projects in Hungary particularly those related to its privatisation. Malaysian companies could also use Hungary as a distribution centre for some of our products for the Eastern-Central Europe region.

8. The total trade between Malaysia and Hungary is still very small, amounting to US\$62.8 million last year. Greater efforts have to be made towards increasing the total volume and the diversity of our trade. It is noted that Malaysian manufactured and semi-manufactured products have not been able to make significant in-roads into the Hungarian market and I hope this can be remedied.

9. Malaysia has followed with great interest the economic transformation that Hungary has undergone since 1990. The confidence expressed by international agencies like the IMF in the economic reform process in Hungary underscores this transformation. The admission of Hungary as a member of the OECD in 1996 is indeed commendable. We are confident that Hungary will continue to witness progress and prosperity.

10. Malaysia notes Hungary's keen interest to join the European Union and we trust that Hungary's membership would contribute to a European Union that will be more representative of all the openness that Europe believes in. Hungary's desire to join must surely be because there is benefit in being in the Union. By the same token, there is disadvantage in being outside. Such a disadvantage should of course not be detrimental to countries which will never qualify to be in.

11. Malaysia and Hungary share common perspectives and approaches on many international issues. The conflict in Bosnia and Herzegovina requires us to cooperate more closely. Malaysia, like Hungary believes that the United Nations has a primary role to assume in ensuring international peace and security.

12. I would like to once again express my pleasure in welcoming you and the distinguished members of your delegation to Malaysia and hope your stay in Malaysia will be enjoyable and rewarding.