

THE DELEGATION MEETING AND PRESENTATION OF THE ECONOMIC REPORT

BISHKEK, KYRGYZ, 12 SEPTEMBER 1997

1. During my visit here in July 1996, we promised to assist in conducting a joint economic-study of the Republic of Kyrgyz. The intention of the Study was to provide senior officials of the Republic with an economic roadmap, as well as to identify potential areas for foreign investments.
2. The Study officially began in September 1996, when an advance team from Malaysia visited the Kyrgyz Republic to initiate discussions and to collect background data for analysis. Follow-up mission then visited the Republic in November, to conduct consultative discussions with relevant agencies and to obtain additional data. A first draft of the Report was ready by March this year, and it was critically reviewed by your officials and agencies.
3. Today, I am pleased to inform you that the study has been completed, the result of a joint effort between Malaysia's Economic Planning Unit and your Ministry of Finance, formerly the Ministry of Economy. The Study has also been translated into Russian, to make sure that it is accessible to all levels of the Kyrgyz Government, as this will then enable the Report to be comprehensively understood as well as to expedite its implementation.
4. We do not claim that the Study has the answers to all your queries and questions. What it does have, is the wealth of our own development experience in Malaysia, which we gladly share with you. The Study provides an analysis of the 11 sectors identified by our senior officials as needing particular attention. The approach of the Study was one of maximising the use of limited resources by ensuring that the development of one sector would in turn support the development of another. The overall Integrative Report then pulls together the major findings from all the sector reports. Overall, it is our view that the Study should serve as a complement and supplement to the numerous studies already carried out by various aid agencies and international organizations for the Kyrgyz Republic.
5. The Study is as comprehensive as it can be, but to fully maximise its potential, there is also a need for a change in mind-set and attitudes towards the challenges being faced. A sense of urgency has to be inculcated; there has to be an openness of mind to new and better ways of doing things; there must be courage in trying out new ideas. There will be failures of course, but I hope we do not allow those mistakes to discourage us from learning and trying again. I am confident that the adoption of such a positive and outward-looking attitude, will in the long run ensure the successful development of the Kyrgyz Republic.
6. At this juncture, I would like to say a few words about the possible areas in which Malaysia can contribute towards the Kyrgyz Republic's development. As a fellow developing country, our resources are limited. As such, we think that the most effective manner for us to contribute would be in the form of providing training and the sharing of experiences, including the provision of hands-on

training.

7. In addition, I see great potential in cooperation between our private sectors, where our chambers of commerce could start by building strategic alliances and exploring potential areas of business. I am made to understand that some of these cooperative efforts have started.

8. Your Excellency is aware 15 of your government officials have already undergone training under our Malaysian Technical Cooperation Programme. These training courses and study-visits began in 1992, and are continuing with several Malaysian agencies such as the Economic Planning Unit, the National Institute of Public Administration, the National Library, Cooperative' s College of Malaysia, the Institute of Diplomacy and Foreign Relations, the Institute of Medical Research, National Archives and the Tun Razak Broadcasting Institute.

9. The following are some specific areas where we will be able to offer training:

i) Banking, Financial Sector and the Fiscal System

- Training on the tax and fiscal system with our Inland Revenue Board and the Royal Customs and Excise Department.

- Training and skills upgrading of senior central bank officials at our Bank Negara, to include monetary fiscal policies, commercial bank operations, risk assessment and management, and promotion of investments.

- Banking is a critical sector, for a sound financial sector goes a long way towards building investor confidence.

ii) Legal and Constitutional Affairs

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Exposure of Kyrgyz Republic judges and legal officials to various aspects of commercial law, legislative drafting, legal education and legal aid education.

iii) Trade and Industry

- Assist in setting up a Malaysian Industrial Development Authority-type organisation and the setting up of an agency to oversee the management of Free Economic Zones.

- Attachment of Kyrgyz officials to MIDA to learn about the formulation of industrial policies and the promotion and management of investment.

iv) Energy Sector

- Exposure to our privatisation experiences in the energy sector

v) Agriculture Sector

- Assistance of a monitoring and evaluation system for agriculture projects.

- Study visits for Kyrgyz officials to learn about R & D extension and technical advisory systems, marketing systems, credit systems, and our land development programmes.

vi) Transportation Sector

- Assist in the formulation of a transportation masterplan for the Kyrgyz Republic.

10. I would now like to present to Your Excellency, a specially bound copy of the Report for your personal reference. I believe the agencies have also received copies of the Report.