

**THE OFFICIAL DINNER HOSTED BY H.E. EDUARDO FREI PRESIDENT OF
THE REPUBLIC OF CHILE**
CHILE, 29 SEPTEMBER 1997

Let me thank you Mr President, for your very kind words of welcome. Allow me to express on behalf of my wife and members of my delegation my sincere thanks and appreciation for the warm reception and hospitality accorded to me and members of my delegation. It is a privilege and joy to return to Chile and to witness the tremendous changes taking place in your country since my last visit in 1991.

2. I must congratulate you Mr President, for the economic success that Chile is experiencing today. Your sustained economic growth proves that hard work, determination and sound economic policies that are best suited to your own needs are the key factors that make the difference between success and failure. Today Chile can stand tall among the Latin American economies. You have even become a role model for others in the region. Mr President, I am sure that all this has been possible because of your able leadership and the vision that the government and the people of Chile share.

3. The encouraging progress made in our bilateral relations since my last visit here is nothing short of inspiring. I remember how hard it was to convince and persuade Malaysian businessmen to come and do business with their Chilean counterparts in the past. There was simply no awareness among the Malaysian business community as to what Chile could offer. Today, however, the situation is very different. Malaysian businessmen travel to Chile often to seek out opportunities in various sectors of the economy. Chile is a country they want to invest in. Distance and language are no longer cited as obstacles to trade and investment in Chile.

4. Our bilateral trade continues to grow as both parties seek ways to expand the range of products that we can buy and sell to each other. Although the balance of trade is in Malaysia's favour for the first time, the volume of trade has increased on both sides. It fills me with pride when I see Proton cars on the streets of Santiago competing effectively with other makes of cars. To date I am told we have exported more than 1000 units of the car to Chile and we have captured 4 percent of the market. Edificio Malaysia which houses the Malaysian Embassy reminds me that Malaysia has indeed achieved staying power in Chile. But let us not rest on our laurels. We need to move ahead as there is so much more we can accomplish. There is a real need to establish direct shipping links between Malaysia and Chile. I urge the business communities of both countries to seriously study this project and make an effort to set up this important linkage, which can help to reduce costs and increase trade. When direct airlinks are established between Kuala Lumpur and Santiago next year, greater windows of opportunities in tourism and trade will become available.

5. I am told that most Chileans still think of Malaysia as the country of Sandokan and tigers. True -- Malaysia still has much to offer by way of its pristine beauty in its foliage and flora but we have also made great strides in other areas. Eighty

percent of our exports today are manufactured products. Malaysia is the world's largest producer of room air-conditioners and semi-conductors. We are also the world's leading producer of palm oil. Malaysian furniture can be found in houses all over the world. We have even begun in making electronic products under our own brand name MEC. The company is studying the possibility to setting up a distribution centre in Chile to market these products which augurs well for our bilateral relations.

6. Malaysia stands ready to extend the hand of friendship and cooperation to Chileans who would want to find a niche for themselves in our very dynamic and growing ASEAN region. To those of you who wish to make inroads in our part of the world, I suggest you make Malaysia the base of your operations. We can provide you with all that you need given Malaysia's strategic geographic location.

7. Our Multimedia Super Corridor or MSC as it is more commonly known covering 750 square kilometres extending south from Malaysia's present national capital of Kuala Lumpur can offer you the latest in state of the art technology. In broad terms, the MSC is a gift from the Malaysian Government to technology developers and users seeking to expand their Asian presence. I would encourage some of your telecommunications companies to take advantage of our generous facilities and incentives in this corridor to set up companies there.

8. If we the countries of the South stand together we can indeed determine our own destiny. In this post cold war world, the tendency is for the powerful to dictate the way the weak should govern themselves. Already there are many examples where developing countries have been made to serve the vested interests of others more powerful than them. The latest example is in Southeast Asia where currency speculation by rogue manipulators brought about disastrous consequences on the strident economies of these countries.

9. All the progress that we have built painstakingly over the years nearly came to naught by the actions of a powerful few. The rich of course can defend their actions by repeating their favourite mantra that this is nothing but a reaction to market forces and that like all things would pass. But we the developing countries are the ones who have to live with the consequences of such irresponsible actions.

10. Individually we will not be able to fight such unjust actions by the rich and powerful. But collectively and united in a single purpose we can at least stand up to them. That is why I believe that organisations such as ASEAN, the G-15 and NAM hold the key to our collective strength. Malaysia and Chile through their common membership in the G-15, APEC and NAM must work together to ensure that our rights are not only defended but enhanced as well. We the South must pull together if we do not wish to remain subject nations.

11. Please allow me to once again reiterate my sincere thanks and appreciation to you, the Government and the people of Chile for the very warm welcome and hospitality rendered to my wife and I and the entire delegation. I hope to return your hospitality when you visit Malaysia in November for the G-15 Summit. My

wife and I look forward to welcoming you and Madame Frei in Kuala Lumpur soon.