

## **THE SLOVENIA - MALAYSIA BUSINESS MEETING**

LJUBLJANA, SLOVENIA, 28 OCTOBER 1997

First of all I would like to thank the organisers for giving me the opportunity to address this gathering of prominent members of the business community of Slovenia and Malaysia.

2. I am delighted to be here today in Ljubljana and wish to thank you for your presence and keen interest in developing business relations with Malaysian businessmen. Increased interaction between our two countries, through visits and meetings such as this, will certainly strengthen economic relations and boost bilateral ties, hence bringing closer the people of Slovenia and Malaysia.

3. Given the present trend of business globalisation, countries must constantly seek new partnerships and linkages to remain competitive. Traditional forms of relationships among nations need to be reappraised and that countries like Slovenia and Malaysia should take the opportunity to forge mutually beneficial trade and business alliances with new non-traditional partners consistent with the realities of the current global economic trends. Distance and history need not stand in the way of us making new friends, and learning from the experiences of others in different parts of the world.

4. The current level of bilateral trade between Slovenia and Malaysia is still small. This is due to the structure of trade which is concentrated on a narrow range of products. Last year, for example, total trade between our two countries amounted to US\$11.6 million. Malaysia's exports to Slovenia were valued at US\$8.7 million, the bulk of which was crude rubber. Imports from Slovenia amounted to US\$2.9 million with major import items comprising electricity meters, paper and paperboard, cement and fabricated construction materials.

5. Obviously, we need to identify and broaden the range of products and services to increase trade between our two countries. It is important that we identify what can be sourced from Slovenia and what can be supplied to Slovenia from Malaysia. In addition, we also need to look into shipping and other means of transportation, warehousing as well as the financing arrangements which are mutually beneficial to us.

6. We in Malaysia are encouraged by the economic and fiscal reforms undertaken by the government of Slovenia since 1993. The pragmatic approaches of the on-going economic recovery programme and incentive schemes for foreign investments and joint ventures have already laid the foundation for increased growth in the key sectors of the economy. I am informed that the Slovenian economy is amongst the strongest in this region. The incentives and liberalisation policies, I am sure, will continue to create greater confidence among foreign investors, hence, paving the way for increased prospects of economic growth in Slovenia.

7. For this reason, Malaysia recognises the importance of having a significant tie with Slovenia. The strategic location of Slovenia in the Central and Eastern

Europe can make it the centre of trade for the region. Moreover, Slovenia's accession to Central European Free Trade Association (CEFTA) which include Poland, Slovakia, the Czech Republic and Hungary at the beginning of last year opens up new markets.

8. Likewise, Slovenian businessmen should increase their business presence in the Asian region by using Malaysia as a springboard for production and distribution of their products in the region. Being in the centre of South East Asia, Malaysia is an ideal location to serve as a gateway for Slovenia. With a combined total population of 460 million people, the huge ASEAN market and its liberal trading environment will provide and offer tremendous business opportunities for the Slovenian business community.

9. We in Malaysia have found that both foreign and local investments have helped to transform our economy. Such investments have created jobs, increased foreign exchange and transfers of technology, expanded our industrial base and provided linkages between the agricultural and industrial sectors. It also spawned the growth of small and medium-scale industries (SMIs).

10. Malaysia today is both a recipient of foreign direct investment as well as an investor overseas. We are therefore able to relate to the needs of both parties. Accordingly, the necessary framework to enhance trade and investment between our two countries are being discussed during this visit. This is in the form of a bilateral 'Trade Agreement', 'Agreement on the Promotion and Protection of Investment', 'Air Services Agreement', 'Agreement on Scientific and Technological Cooperation', 'Avoidance of Double Tax Agreement' and 'Abolition of Visa Requirements Agreement'. I am confident that, with all the fundamental supporting framework put in place, we can raise our economic relation to new levels.

11. For countries like Malaysia, an open and liberal multilateral trading system is essential in order to continue developing and progressing. Market access is, therefore, very crucial for Malaysia and it must not be constrained by the trade impediments such as non-tariff barriers or complicated bureaucratic procedures. In this regard, I am happy to note that Slovenia's foreign trade regime have been relaxed since 1993 and that the Government ratified its participation in the World Trade Organisation (WTO) in 1995.

12. On the investment front, to date, I note that only a handful of Malaysian companies have established their presence in Slovenia. I therefore, would like to take this opportunity to reiterate Malaysia's keen interest and readiness to participate in various sectors of development in this country. Malaysian entrepreneurs who are present here today would like to explore the possibilities of investment and joint cooperation in areas such as construction of infrastructure facilities, property development and manufacturing. Other possibilities are in the services sector such as banking and finance, telecommunication, transportation, warehousing and tourism-related activities.

13. As Slovenia and Malaysia are countries with small domestic markets, it is

imperative that we adopt a global outlook to achieve and sustain our economic growth. Therefore, apart from exploring the economic potential in each other' s country, the Slovenian and Malaysian private sectors should explore opportunities for cooperation in third countries.

14. The performance of the Malaysian economy has been mainly a result of our industrialisation drive, with an unprecedented growth in the output of the manufacturing sector, particularly in the last ten years. Having outgrown the era of labour intensive industries, our emphasis is now on the development of capital intensive and technologically sophisticated industries. There will also be a growing emphasis on productivity and quality-driven growth through skills upgrading, capital deepening and research and development to increase Malaysia' s competitiveness.

15. Consistent with the thrust of our current industrial policy, a nationwide information technology or IT agenda is being implemented. This is to accelerate the wider usage of IT in the various sectors of the economy. A significant development in this effort is the Multimedia Super Corridor (MSC), a 15 km by 50 km zone extending South from Malaysia' s present capital Kuala Lumpur. The infrastructure, incentives and Government support will make the MSC as the perfect test bed for high-tech companies wanting to create, distribute and employ multimedia products and services. Thus far, we have managed to attract the interest and support of some of the world' s biggest multimedia corporations.

16. With the vision that we have set for Malaysia and the various development projects that we have put in place, opportunities both in trade and investment abound for foreign business enterprises. The Government, on its part, will continue to offer a stable, strong and business-friendly environment, consistent policies, a forward-looking, dynamic and innovative economic regime to help investors succeed without undue constraints.

17. I understand that you have just concluded the business meetings with your counterparts from Malaysia. It is my sincere hope that the business ventures agreed to between Malaysian and Slovenian companies during the course of the business meetings would serve as a model of good and lasting cooperation between two developing countries.

18. In this regard, I urge the Malaysian businessmen doing business in Slovenia to be good corporate citizens, to respect local sensitivities and aspiration and to go for long term benefits than short term gains. I am certain that the Slovenian Government will continue to create the necessary enabling environment to make this country an attractive place to do business.