

**THE OFFICIAL DINNER HOSTED BY H.E. MR JANEZ DRNOVSEK PRIME
MINISTER OF THE REPUBLIC OF SLOVENIA
THE REPUBLIC OF SLOVENIA, 28 OCTOBER 1997**

I would like to thank the Government of the Republic of Slovenia for the warm welcome and hospitality that has been accorded to the members of my delegation, my wife and I. We are impressed by the friendship and the goodwill that has been shown to us.

2. This visit to Slovenia has been planned for a long time. It was clear to us in Malaysia from the beginning that the heroic people of Slovenia who had stood up to arrogant might were set on a course of uplifting their socio-economic status. It is commendable that from a modest beginning, in less than a decade, Slovenia has made laudable progress and has developed into a distinct nation-state.

3. As a trading nation Malaysia has particular interest in Slovenia. Slovenia is at a geographical cross-roads in South Eastern Europe. From the Adriatic Sea which is one of the most easily accessible sea routes for us in South East Asia, Slovenia enjoys excellent access to the hinterland of Central Europe. Coupled with the outward commercial outlook and its imaginative economic, financial and monetary policies, Slovenia is viewed as a natural trading partner for Malaysia.

4. Like Malaysia, we note that Slovenia has not allowed the smallness of its domestic market to dissuade it from embarking on projects for the mass production of both capital and consumer goods. The wave of the future will be that trade will flow from areas that produce goods efficiently and cheaply to other areas. In this new regime of free trade, countries like Malaysia and Slovenia will have to find their niche.

5. The various meetings that the members of my delegation and I will have during this visit will enable us to explore the possibilities for bilateral cooperation. I am optimistic that given Slovenia's outward orientation, its wide use of the English language and the strong desire to foster trade and economic cooperation, there exists an excellent environment for enhanced bilateral cooperation.

6. In the next few months it is important that a proper legal framework be established to encourage trade and economic cooperation between our two countries. The various agreements that are under negotiation will have to be finalised. I am glad that during this visit we are making a good start by signing an Air Services Agreement.

7. From our experiences in Malaysia we have found that political stability, a regional environment of peace, mutual trust and confidence are important ingredients for economic progress and prosperity. I realise that Slovenia has sought to build good relations with its neighbours. It is a matter of sadness that Slovenia has not quite been able to persuade the government in Belgrade to live in peace. Belgrade's actions continue to threaten the fragile peace in Bosnia and Herzegovina.

8. The Serbs in Belgrade seem bent on unravelling whatever the Dayton Peace Agreement has achieved for the region. Malaysia has been a strong advocate for beefing up the military strength of all the countries that share boundaries with Yugoslavia. It does seem that only the threat of retaliation and reprisal will persuade Belgrade to behave responsibly. In this regard I do hope that Slovenia will be able to play a positive role to influence its European friends, particularly the stronger states, to lift the arms embargo on Bosnia and Herzegovina.

9. In a small way Malaysia has contributed to the reconstruction of Bosnia and Herzegovina. We have also contributed to the U.S. -led Train and Equip Program for Bosnia and Herzegovina. We have found, however, that the cessation of war is not adequate to ensure the future of Bosnia and Herzegovina. The country needs to achieve genuine reconciliation amongst the various ethnic groups. It needs to develop itself and it has to draw back its people who have sought employment and refuge elsewhere. Others who have been displaced should be allowed to return to their rightful homes. This process of normalisation is not happening due to a variety of reasons, including Belgrade's intransigence.

10. Malaysia is willing to work with Slovenia to contribute to the process of achieving normalcy in Bosnia and Herzegovina. The details of what we can do together can be worked out in discussions at various levels. I am confident that such co-operation will lay the groundwork for a durable peace in this region. We believe that only peace in the region will help the exploitation of the full potential of the people and new countries resulting from the breakup of Yugoslavia.

11. I believe there is immense scope to develop further the bilateral relations between Malaysia and Slovenia. When the private sectors of our two countries begin to collaborate, I am optimistic that our relations will achieve a new momentum which will prove mutually beneficial.