

THE STATE BANQUET ON THE OCCASION OF THE OFFICIAL VISIT TO THE REPUBLIC OF MOZAMBIQUE

THE REPUBLIC OF MOZAMBIQUE, 29 JULY 1998

I would like to express my sincere appreciation for the very warm welcome extended to members of my delegation and I. The spirited and sincere expression of friendship accorded to our delegation clearly demonstrates the closeness of the relations that exist between our two countries.

2. It is a privilege for me to be the first Malaysian Prime Minister to make an Official Visit to Mozambique -- and, for that matter, ever to a former Portuguese colony in Africa. Besides reciprocating Your Excellency's visit to Malaysia last year, this visit is also to rekindle the spirit of brotherliness and strengthen our bonds of friendships. It is also a manifestation of our desire to continue to cooperate with Mozambique in good and in bad times. Indeed, we have always looked upon you as a friend, sharing your sorrows and joys, despite the distance that separates us.

3. We have never been to your country before because you and your illustrious predecessors, Samora Machel and before him Eduardo Mondlane, were abroad waging a war of liberation for their homeland. This visit is also to pay tribute to their struggle. We are today delighted that peace and reconciliation has now been firmly established and that you have also been able to bring remarkable economic recovery to Mozambique.

4. Last year when Your Excellency visited our country, we were keen to participate and contribute in a small way in the reconstruction of your country. The determination, expertise and experience is still there. But, today they do not have the means to do so.

5. We regret very much that apart from just two or three companies, the others whom you have most warmly welcomed and encouraged have had the carpets pulled from under their feet. In fact, even in our country, our capacity to invest and develop have diminished.

6. It does appear that for the rich nations the development and prosperity of the countries of the South and South-South Cooperation are not welcome.

7. The West has found a new weapon to force us to submit to them. Indeed, a few countries in East Asia have already bowed to forces which they could not resist. The process to impoverish, if not to destroy, countries and to put a halt to South-South Cooperation is very simple. Gun-boats are no longer necessary. By simply devaluing our currency, we can be forced to submit, a submission that is no different from that following conquest and colonisation.

8. Malaysia's sustained growth of eight percent per annum has today been replaced by a contraction of 1.8 percent. Negative growth is the rule for all of us in East Asia. Malaysia's currency has been devalued by some 70 percent and our stock market capitalisation has been reduced to a third of its former strength.

The so-called market forces now want to determine who should lead our countries.

9. I have mentioned this just to underscore the seriousness of the crisis facing Malaysia and other countries in East Asia. The turmoil that the countries of East Asia face today is truly horrendous. Perfectly good well-managed companies are now hardly able to survive. Those with investments abroad have been forced to liquidate their foreign assets in order to bring back the money to sustain their domestic operations. So harassed are they that they failed to communicate with their Mozambican counterparts their inability to continue with some projects.

10. But we are not about to give up. We still feel a need to cooperate with the countries of the south. We may not be able to do much presently but we will continue to look to the day when we can once again cooperate and invest in foreign countries. This explains why a large private sector delegation has accompanied me despite their difficulties at home. They want to look beyond this crisis and prepare themselves for their return to this region to participate in your development.

11. While we share many things in common, we, in fact, still do not know each other well enough. We need to discover each other so that we can aspire to build upon whatever little strength we have for mutual benefit. It is important for both of our private sectors to be familiar with each other, to know the local laws and regulations and how business is conducted in our respective countries. We also need to be familiar with the investment policy and legal framework. This is vital to ensure our future interaction is successful and mutually beneficial.

12. No less important is the need to remove obstacles that stand in the way of private sector interaction. Projects cannot take off the ground if rules, regulations and policies are not clear. All these, and much more, would also have to be looked into if developing countries are to embark on effective South-South Cooperation.

13. I am particularly grateful that Your Excellency has gone out of the way to accommodate the Malaysian private sector. I am confident that the temporary silence that exists between our respective private sectors would be over soon.

14. My meeting with Your Excellency earlier this evening has strengthened my conviction that both our private sectors can still do things together. We already have a joint venture bank here and PETRONAS is also keen. These two ventures would be a catalyst for greater business cooperation and, step-by-step business relations would flourish.

15. Our two countries are in the process of reconstruction: Mozambique from the ravages of war and Malaysia from the devastation caused by an unprecedented assault on our economy. We may be temporarily down, but we are certainly not out. Even weak countries working together can bolster each other's strength. Mozambique and Malaysia are certainly not exactly the weakest economies in this world. I strongly believe -- and I am sure you do too -- that through friendship

and cooperation, patience and unity, our two countries will be able to recover and emerge even stronger.

16. I wish to thank you once again for your warm hospitality and kind invitation to visit your country. I must also thank the people of Mozambique for the most heartwarming welcome to this land of great promise and beauty. I am convinced that Mozambique and Malaysia have common goals and we can together push forward our relations into the next millennium with ardour.

17. On this note, may I now propose a toast to the good health and happiness of my dear friend His Excellency President Joaquim Alberto Chissano; to the continued peace and prosperity of the brotherly people of Mozambique, and to the future which we can and will build together.