

**THE OFFICIAL DINNER IN HONOUR OF HIS EXCELLENCY SISAVATH
KEOBOUNPHANH THE PRIME MINISTER OF LAO PEOPLE
SRI PERDANA, KUALA LUMPUR, 10 AUGUST 1998**

It gives me great pleasure to welcome Your Excellency and Madam Khamla, and members of your delegation to Malaysia. I am delighted to see Your Excellency in Kuala Lumpur today on your first official visit to Malaysia as Prime Minister of the Lao People's Democratic Republic. Your visit also represents the first instance of an official visit by a Lao Head of Government since your country joined ASEAN last year. Your acceptance of my invitation to visit this country is a clear testimony of the mutual desire of our two Governments to further strengthen relations between the two countries. I look forward to having fruitful discussions and exchange of views on various bilateral, regional and international issues of common concern at our meeting tomorrow morning. I am confident that we shall be able to identify new areas where our two countries can co-operate to enhance the relationship in the years ahead.

2. Since my last visit to your beautiful country in 1994, our bilateral relations have continued to deepen and develop positively through the exchanges of visits between leaders and Government officials at all levels. I recall that during my visit, a number of business deals were successfully concluded between the Malaysian private sector with their Lao counterparts in such fields as consultancy services, low-cost housing, agriculture, road construction, manufacturing and tourism.

3. Your Excellency's visit to Malaysia marks another milestone in our bilateral relations and provides yet another opportunity for us to renew our friendship and solidarity for mutual benefit. Now that the Lao People's Democratic Republic is a fellow member of ASEAN, I am confident that the coming years would see our relations becoming more substantive especially in trade and economic co-operation.

4. Our deepening bilateral relations is evidenced by the fact that our two countries have to-date already signed a number of agreements namely the Bilateral Investment Guarantee Agreement, the Air Services Agreement, the Economic, Scientific and Technical Co-operation Agreement, the Bilateral Payments Arrangement and an MOU on Energy Co-operation. It is my hope that the bilateral Trade Agreement and the Tourism Co-operation Agreement that will be signed between our two countries tomorrow morning will provide additional impetus to uplift our bilateral economic and trade relations. I would like to assure Your Excellency that the Malaysian Government would continue to take steps to nurture the relation between our countries.

5. While noting that our bilateral relationship is on the right course, our total trade today is really nothing to speak of. Notwithstanding this, I am convinced that there is ample scope for expansion given the enormous potentials and items available for trading purposes in both countries. I am happy that the Malaysian private sector has been actively participating in the economic development taking place in the Lao People's Democratic Republic today. I have been

informed that Malaysia is the fifth largest investor in the Lao People' s Democratic Republic with investments valued at over RM1 billion in 18 projects. Malaysia' s investments are mainly concentrated in road building and construction sector, banking, and service industries. The Malaysian private sector has over the years gained considerable expertise in overseas investment projects. In the spirit of ASEAN and South-South Co-operation, Malaysia is ever willing to share our development experience and technical know-how to assist the Lao People' s Democratic Republic in its nation-building efforts.

6. In the regional context, Malaysia is pleased to observe that since your admission into ASEAN, the Lao People' s Democratic Republic has participated enthusiastically in ASEAN activities and made constructive proposals for enhanced intra-ASEAN co- operation. Unfortunately however, our region is presently besieged by the regional economic crisis that has affected all ASEAN countries, though in varying degrees. Malaysia' s view is that in order to overcome the present difficulties, ASEAN countries must work together even more vigorously to enhance intra-ASEAN trade and promote the use of local currencies in regional trade.

7. On international matters, both Malaysia and the Lao People' s Democratic Republic share almost identical views on many international issues of common concern. Our countries have sought to make constructive contributions through our active participation in many international organisations including the United Nations and the Non- Aligned Movement. I am also impressed with the role played by the Lao People' s Democratic Republic in fostering the climate of peace and development co- operation in the Mekong sub-region to transform this area into one of shared growth and affluence aimed at eradicating poverty and elevating the quality of life.

8. May I once again wish you, Mr. Prime Minister and Madam Khamla, and other distinguished members of your delegation, a very warm welcome to Malaysia and I hope that your visit here will be an enjoyable and memorable one.