

The Official Dinner In Honour Of His Excellency Dr. Thaksin Shinawatra Prime Minister Of Thailand

Seri Perdana, Putrajaya 24 April 2001

It gives me great pleasure to welcome Your Excellency and distinguished members of your delegation to Malaysia. Your visit is indeed special as it is your first to Malaysia and your first visit abroad in your new capacity as the Prime Minister of Thailand. May I once again offer my sincere congratulations on your unprecedented election victory. I am confident that your visit will consolidate and enhance the already close and special relations between our two neighbouring countries. We in Malaysia are very happy indeed to welcome you.

2. Your visit is indeed timely as we are both faced with the political and economic uncertainties affecting the region. This afternoon, we had a thorough exchange of views on the subjects and policy options that could be pursued to resuscitate our economic resilience and set it on a firm and sustainable recovery path. The economic slowdown in the U.S. and Japan is expected to impact adversely on our growth and exports. It is therefore a matter of growing urgency to explore new measures to accelerate our bilateral cooperation, particularly in the area of finance, trade and investment, to ensure we are sufficiently protected from the full impact of this economic slowdown.

3. The relationship between our two countries remains warm and trouble-free. Problems do arise from time to time but we have managed to solve them amicably through our own ingenuity and good-will as good and responsible neighbours, fully realising that our interests are often intertwined. With strict adherence to good neighbourliness, our ties have remained close and will no doubt move even closer. In the past, threats and challenges have been successfully neutralised by the desire of both sides to work together. This willingness to share and cooperate had made it possible to reverse what could have developed into a potential source of irritations and convert them into cooperation for the long-term benefits to our peoples. In this regard, it would be an added feather in our cap, if we could facilitate and expedite the implementation of the Trans-Thai Malaysia Gas Pipeline Project. Landing the gas in South Thailand will provide that less-developed region and people with an increase in job opportunities and businesses, particularly small and medium scale businesses for the small people.

4. We have lately been facing difficult times together due largely to interference in the governance and management of

our countries by so-called concerned foreigners. We have dealt with the assault on our sovereignty in different ways. As neighbours we should exchange information and views on the management of economic and financial turmoil so we can learn from each other and ensure better recovery next time. Despite all these bilateral trade recorded a 28.3 per cent increase to reach 6.3 billion U.S. Dollars in the year 2000 compared to 1999 and today Thailand is the sixth largest trading partner of Malaysia. It is equally heartening to observe that over 50 companies with Malaysian interest are currently operating in Thailand, embracing a wide range of sectors. Similarly, Thai investment in Malaysia is also showing encouraging growth.

5. Although we had made impressive strides to shore up bilateral trade and investment, more concrete measures would have to be done to tap the full potential of the business opportunities available in our respective country. In this regard, I am encouraged by the convening of the Malaysia-Thai business opportunity seminar in Bangkok early this year, which was attended, I was told, by approximately 600 Malaysian and Thai businessmen. This is a positive step to strengthen private sector collaboration between our two countries. I remain hopeful we can achieve a more constructive and mutually rewarding cooperation if our two private sectors were to focus on the numerous opportunities available in our countries. I hope our private sector collaboration would develop fully into an ASEAN-wide phenomenon to enhance intra-ASEAN trade and reap maximum benefits from AFTA. I am encouraged to see so many businessmen in Your Excellency's delegation and I hope they will explore the opportunities I have mentioned. Together we can lessen the impact of economic downturns elsewhere.

6. As neighbours sharing a common border, the need to understand one another becomes more real and urgent. I recognise that the Malaysia-Thai Association and its counterpart in Bangkok have contributed meaningfully towards this objective. But to complement their efforts, we should now initiate and encourage more exchanges of visits and direct interaction between our Government officials and our Ministers. We must fully back the efforts of the private sectors.

7. ASEAN is an important sector of Malaysia's foreign affairs and receives the highest priority. We are committed to the pursuit of our common objectives, including to the ASEAN regional economic cooperation programmes. I have included this important point in order to reassure Your Excellency that Malaysia will not renege on its commitment to liberalise and open our markets as required under AFTA. Yes, it is true

that we have sought to defer temporarily the inclusion of CBU and CKD automotive parts in the AFTA scheme, but the deferment is merely to allow our domestic national car industry, adversely affected by the 1997 regional financial and economic crisis, to undertake necessary restructuring exercise to remain competitive in the post-AFTA ASEAN. Many non-ASEAN countries are hoping to enter the markets of our countries through the back door. We must not allow this to happen as it will lessen the benefits of AFTA to us. AFTA actually provides us with the opportunity to enlarge our industrial and commercial capacities and we must not let the opportunities be wasted and lost to us.

9. We had a meaningful discussion this afternoon covering a broad spectrum of issues involving our two countries and the region. This is useful in helping us to formulate appropriate responses and measures to address these outstanding problems. I do hope that you found your visit to Malaysia, despite its brevity, both fulfilling and rewarding. I look forward to meeting you again and collaborating with you on issues of mutual interests.