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(PRIME MINISTER)

EVENT: THE JOINT BUSINESSMEN MEETING

VENUE: JORDAN

DATE: 02 OCT 1994

TIME:

I am pleased to be given this opportunity to address distinguished members of the Jordanian business and industrial community. I commend the organisers for their initiative in organising this meeting in order to bring business leaders of our two countries to discuss and share views of common interest. This meeting hopefully will strengthen further trade and economic relations.

2. This meeting marks yet another important step towards closer relationship between Jordan and Malaysia. Ties between our two countries have always remained close and cordial.

3. Although we have established some trade links, a lot more can be done to enhance the development of the business activities between our two countries. Geographically while Jordan is some distance away from Malaysia, greater interaction will create better awareness of each other's potential. The business communities of both our countries can identify new areas of interests for cooperation.

4. The volume of trade between Jordan and Malaysia has increased from US\$65 million in 1989 to US\$102 million in 1993. However, bilateral trade is still small, accounting for less than one percent of Malaysia's external trade. Trade between our two countries is also confined to a narrow range of products comprising mainly palm oil and palm oil products from Malaysia and fertiliser from Jordan. Tfile narrow trade could be attributed to, among other things, the lack of direct contacts between the Malaysian and Jordanian businessmen, as well as the limited information on products and market opportunities.

5. Together, Malaysia and Jordan can cooperate and take advantage of the opportunities in trade, investment and the services. To facilitate bilateral cooperation, the Governments of both countries have taken steps to put in place the necessary framework agreements for the conduct of commercial and economic relations. Both countries have already signed an Air Services Agreement which has facilitated travel between Jordan and Malaysia.

6. Many developing countries and newly emerging economies

over the last couple of years have taken steps towards market liberalisation and deregulation. Jordan itself has undertaken liberalisation and deregulation measures to reinvigorate its economy. Jordan has also introduced laws to protect and encourage investments and to promote privatisation. Malaysia too has undertaken similar measures which have resulted in greater trade and investment flows into the country and has helped to boost technological development, improve efficiency and productivity levels. The liberalisation and deregulation measures undertaken by developing countries and newly emerging economies would eventually result in creating a substantial market in the South, which would be able to supply a wide range of products, ranging from raw materials to products with high technology contents.

7. Malaysia has embarked on a concerted drive to enhance trade, economic and commercial links with developing countries and the newly emerging economies. The Malaysian private sector has been supportive of this drive. They have established contacts and networks in many developing countries such as the People's Republic of China, Cambodia, India, Papua New Guinea, the Philippines, Sri Lanka, Vietnam, and a host of other countries, leading to greater flow of trade. Malaysia's exports and imports to and from the South countries in 1993 amounted to US\$17 billion and US\$12 billion respectively.

8. In our effort towards a more focused programme for the South, the Malaysian Government has implemented a special programme of collaborating with General Trading Companies (GTCs) to promote Malaysia's trade with these countries. For this purpose, the Government has selected three GTCs namely, Edaran Otomobil Nasional Berhad (EON), Sime Darby Berhad and Kumpulan Guthrie Berhad. The GTCs among others would identify possible competitive sourcing of raw materials and other inputs required by Malaysian companies to promote the export of Malaysian services and investment to the South, including Jordan.

9. Malaysia now encourages its private sector to venture out and invest overseas. I am confident that the current level of cooperation between our two countries will continue to increase as a result of liberal trade and investment policies adopted by Jordan and Malaysia's reverse investment policy. It is therefore imperative that the private sectors of Jordan and Malaysia take the opportunities to intensify joint ventures and commercial links.

10. The Malaysian private sector has considerable experience and technical know-how in a number of areas such as manufacturing, agriculture, mining, tourism-related projects, construction, finance, engineering, consultancy and the development of infrastructure. I am sure Jordanian entrepreneurs have also developed expertise and capabilities in various fields. Therefore, a joint partnership between

Malaysian and Jordanian companies could generate fruitful business links in these activities.

11. According to the GATT International Trade Report 1993, Malaysia is now the 19th largest trading nation in the world. In 1993, Malaysia's total imports amounted to US\$45 billion. The rapid pace of economic development, liberal import policies and the increasing affluence of the people would continue to make Malaysia an important market for foreign suppliers including from Jordan. I therefore wish to invite Jordanian businessmen to visit Malaysia and see for themselves the vast trade opportunities available for their exports. Jordanian companies could set up their regional offices in Malaysia and use Malaysia as their base to launch their products in the ASEAN market. At the same time, Malaysia too could offer a wide range of manufactured and intermediate products required by Jordan. Malaysia has a broad manufacturing base. Manufactured exports in 1993 amounted to US\$34 billion representing 73 percent of our total exports.

12. ASEAN, of which Malaysia is a member, is committed to establishing the ASEAN Free Trade Area (AFTA) by the year 2008. AFTA will be achieved through the implementation of the Common Effective Preferential Tariff (CEPT) scheme under which the tariff level will be gradually reduced to between zero and 5 percent within the fixed time-frame. The dynamism experienced by the ASEAN region and the implementation of AFTA is expected to further accelerate economic development in ASEAN countries. This would also create considerable opportunities for businessmen within and outside this region which the Jordanian private sector could take advantage of.

13. I have with me today a number of prominent members of the Malaysian private sector who are very keen on forging and strengthening further the bilateral trade, economic and commercial ties between our two countries. I am confident that the business meetings and discussions that you will have during their stay here would lead to fruitful results for both our countries.