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Distinguished Guests,
Ladies and Gentlemen,
Let me first and foremost take this opportunity to thank the organisers for inviting me to address this distinguished gathering. I am happy to note the growing interest of Brazilian businessmen in looking for possible business opportunities in Malaysia.

2. As you know, trade relationship between our two countries has shown encouraging improvement in recent years. Brazil represents Malaysia's largest trading partner in South America. Malaysia's total trade with Brazil amounted to US\$328 million in 1990. This accounts for half of Malaysia's total trade with South America amounting to US\$661.4 million in the same year. Two-way trade between Brazil and Malaysia has grown from US\$78 million in 1985 to US\$328 million in 1990.

Ladies and Gentlemen,
3. Malaysia has an open economy in which trade assumes an important role. Total exports amounted to US\$29.4 billion in 1990. The export sector contributes about 69 per cent to the Gross Domestic Product of the country. Malaysia maintains trade relationship with all the countries of the world.

4. In the past, the Malaysian export sector was dominated by the export of minerals and primary commodities. With rapid industrialisation the export of manufactured products today contributes about 60 per cent of exports. Malaysia also maintains a substantial import trade amounting to US\$29.3 billion in 1990. They are mainly food, machinery and transport equipment and industrial components for the manufacturing sector.

5. In view of the importance of international trade to the economy, Malaysia is committed to an open economic system and we wish to strengthen further our economic links with our trading partners, including Brazil.

Ladies and Gentlemen,
6. Malaysia, as a developing country, strongly supports a more liberal international trading environment. In this re-

gard, our commitment is reflected in our efforts to liberalise further our import regime consistent with development needs. Liberalisation inter-alia would take on the form of tariff reduction and deregulation in economic activities.

7. As part of the process to facilitate the successful conclusion of the Uruguay Round, Malaysia is already actively involved in cooperation with like-minded groupings such as the Cairns Group and G 15 which also includes Brazil. In our effort to strengthen multilateral cooperation, Malaysia is also active in promoting regional cooperation. At the regional level, the Association of South East Asian Nations (ASEAN), of which Malaysia is a member, has made much progress in the field of trade and industrial cooperation.

8. At the East Asian regional level, Malaysia has initiated the formation of the East Asia Economic Group (EAEG). EAEG has the objective of enhancing economic cooperation among East Asian countries and to pave the way for a more open multilateral trading system. Apart from this immediate objective, the EAEG will continue to serve as a consultative forum within the region to enhance trade and investment. The EAEG will be GATT consistent and will not be a trading bloc. In this regard, the EAEG will not only be beneficial to the countries in the region but also to countries outside the region, through the potential trade creating effects of the Group.

9. In relation to regional cooperation, we note that South America has also intensified its efforts in enhancing cooperation by setting the time frame for the operation of the Andean Pact and the MERCOSUR. We view these regional cooperation programmes positively as they seek to enhance trade and economic cooperation along accepted multilateral trade principles embodied in the GATT. Apart from these developments in regional cooperation, there are also other developments taking place in the developed world such as the formation of the Single European Market and the North American Free Trade Agreement (NAFTA).

Ladies and gentlemen,

10. In this interdependent world, developing countries such as ours are dependent in many ways on the developed world for trade and investment. The developed countries, however, have their own regional groupings and, at the same time, their own economic problems which do worry us. We hope that they will set a good example for the developing countries by structuring their regional grouping and by finding solutions to their problems consistent with the free trade principle.

11. While the developed world is important to the developing countries as a market for their products, we should not forget the tremendous potential benefits that could be derived through greater South-South cooperation. Therefore in

our quest for economic development, cooperation among the developing countries should merit priority attention also. Vast potential and opportunities for the furtherance of economic and trade gains exist in the developing world.

Ladies and Gentlemen,

12. The visit of the Malaysian delegation to Brazil is to enable Malaysian businessmen and entrepreneurs to meet and hold discussions with their Brazilian counterparts on business and joint venture opportunities as well as to identify and pursue common areas of interest. I am confident that we can succeed in this effort in view of the common goals that we have.

13. Brazil is the largest economy in the region. Its economy is rapidly growing involving a wide range of activities in the production and exports of minerals, natural resources, agricultural development as well as manufacturing. In many ways, our economies complement each other and there are many areas for cooperation. There is certainly immense potential for strengthening of economic relations. In this respect, Malaysia looks forward with confidence to increase trade with Brazil, both imports and exports.

14. Another potential area for economic cooperation between our two countries which can be explored further is investment. Malaysia has a liberal and attractive programme to attract foreign direct investments, both in terms of capital and technology. The rapid industrial growth achieved in recent years is very much due to our open policy of getting foreign involvement in our economy. Brazil has a large and sophisticated industrial base backed by domestic technology and therefore Brazilian industrialists are well placed to look at investment opportunities in Malaysia to set up manufacturing base to cater for the national and regional markets. Malaysia is located in the heart of the fast growing Asia Pacific region and Malaysia offers an attractive location for Brazil to expand its economic relations with the region.

15. Malaysia also pursues an active policy of privatisation. In this privatisation programme, participation by foreign investors is also welcome by providing the capital and technology in the privatised projects.

16. Our achievements made in the plantation and mining sectors and in recent years in the development of the manufacturing sector has enabled Malaysia to develop expertise in manufacturing, plantation management, mineral exploration and extraction, construction and engineering consultancy. We are ready to cooperate with Brazilian businessmen and industrialists as we have done with many other countries.

17. I am heartened by the tremendous potentials for the strengthening of bilateral cooperation over a broad range of economic activities. While Government can provide the envi-

ronment and conditions conducive to facilitate such a development, it is the role of the private sectors of both countries to get the business moving. In this regard, I am confident that there will be concrete discussions on business opportunities among the business leaders of both countries and follow-up action will be taken to translate the business potentials into actual business transactions.