

SPEECH BY: DATO' SERI DR. MAHATHIR BIN MOHAMAD
(PRIME MINISTER)

EVENT: THE LUNCHEON MEETING WITH THE FEDERATION OF BANGLADESH CHAMBERS
OF COMMERCE AND INDUSTRY

VENUE: DHAKA, BANGLADESH

DATE: 13 FEB 1993

TIME:

President of the Federation of
Bangladesh Chambers of Commerce and Industry;
Distinguished Guests;
Ladies and Gentlemen,

I would like to thank you for inviting me to meet with the distinguished members of the Federation of Bangladesh Chambers of Commerce and Industry and to share some thoughts on the opportunities and how best to strengthen economic and commercial relations between Bangladesh and Malaysia. I have with me here today a number of prominent members of the Malaysian private sector, some of whom already have business ties with Bangladesh. They are all very interested in further strengthening bilateral commercial ties between our two countries.

2. Bangladesh and Malaysia have always enjoyed close and cordial links. This can be attributed to our association in the Commonwealth and the common stands we share in the various fora of the United Nations. The long history of people to people relationships has also contributed to these links. On the trade and economic front, our two governments have consciously and systematically laid down a strong framework for cooperation such as those embodied in our Bilateral Trade Agreement and the formation of the Bilateral Joint Commission.

3. In spite of this, the value of trade between our two countries is still small and trade is confined to only a few products. For example, total two-way trade in 1991 amounted to US\$56.8 million and for the first nine months of last year was valued at US\$51.0 million. Over the last five years Bangladesh accounted for around 0.1 percent of Malaysia's total trade whilst Malaysia accounted for about 0.5 percent of total trade of Bangladesh.

Ladies and Gentlemen,

4. It is clear that our two countries are very much dependent on the North both in terms of markets for our products and in terms of sources of our imports. Although our dependence on the North will continue, we should not foreclose prospects and opportunities to strengthen economic and commercial ties with countries of the South. This becomes all the more imperative given the current uncertainty of the

conclusion of the Uruguay Round of multilateral trade negotiations, the formation of NAFTA and the consolidation of the single European market. While we must continue to attach importance to a successful conclusion of the Uruguay Round, we must continue to pursue efforts at diversifying our markets. The South can offer us much opportunity.

5. I am happy to note that Bangladesh has made significant progress towards tariff rationalisation and reduction, as well as towards greater transparency and simplicity in import procedures. That Bangladesh has embarked on an industrial policy that encourages greater foreign participation and introduced a series of privatisation, deregulation and liberalisation measures since the last two years, is indeed commendable. Malaysia's own experience in these areas has resulted in greater trade and investment flows, leading to greater technological development as well as higher efficiency and productivity levels. In effect, liberalisation measures undertaken by developing countries will bring about the emergence of growing markets in the South.

6. It is also evident that the countries of the South have made efforts unilaterally and collectively to enhance trade amongst themselves. The network of Bilateral Trade Agreements, Investment Guarantee Agreements and Bilateral Payment Arrangements are evidences of such efforts. Projects that have been launched by the G-15 include the South Investment and Trade Technology Data Exchange Centre (SITTDEC) and the strengthening of the generalised system of trade preferences among developing countries (GSTP) can complement bilateral efforts towards increasing trade, investment and technology flows in the South. At the regional and sub-regional levels, our experience in economic and trade liberalisation, initially on a preferential basis and confined to members of respective groupings, will bring about higher efficiency and competitiveness which will spur liberalisation on a most-favoured nation basis.

7. In Malaysia, we have embarked on a serious drive to enhance economic and commercial links with developing countries in our effort to enhance trading within the South. The Malaysian private sector has kept pace with this drive and has established contacts and networks in many developing countries, resulting in greater two-way flows of trade. Although we are still dependent on the in-flow of foreign direct investment, the Malaysian government now encourages Malaysian businessmen to venture out and invest overseas. I am confident that the current level of joint-venture tie-ups between our two countries will continue to increase, given the pull factor derived from the liberal industrial policy embarked upon by Bangladesh, and the push factor derived from Malaysia's policy on reverse investment.

8. It is therefore pertinent and timely for you who represent the private sectors of Bangladesh and Malaysia to continuously take stock of such policy changes with the view to

intensifying joint-venture efforts and commercial links. At the level of chamber to chamber cooperation, you both have a convenient vehicle namely, the Memorandum of Understanding concluded between the two Chambers of Commerce and Industry. The degree of success in our bilateral efforts to bring our two countries closer in the economic and commercial field depends on how serious and committed the private sector of our two countries are in strengthening these links.

Ladies and Gentlemen,

9. Our own experience in development have proven that Malaysian entrepreneurs have the capacity to develop some expertise in certain fields. Some of the Malaysian private sector personalities who have come with me here today have developed expertise in sectors such as mining, plantations, construction, tourism development, processing and manufacturing of resource-based products. We are aware that Bangladesh entrepreneurs have also developed expertise and capabilities in various fields. I am confident that the meetings and discussions that you will have today will reveal complementarities that can be translated into viable commercial projects.