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(PRIME MINISTER)

EVENT: THE OFFICIAL DINNER IN HONOUR OF HIS EXCELLENCY CARL BILDT,
PRIME MINISTER OF SWEDEN

VENUE: SRI PERDANA, KUALA LUMPUR

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TIME:

It is an honour and a privilege for me, on behalf of the Malaysian government, to welcome you as well as members of your delegation to Malaysia. This is the first time that we have the honour of receiving a Prime Minister from Sweden and we are indeed pleased at the opportunity to reciprocate the hospitality and warm reception extended by the Swedish government and people to both myself as well as my predecessors during our visits to your lovely country.

2. I hope that during your short visit here you will be able to observe for yourself how Malaysia's multiracial society lives and our efforts at nation-building and economic development.

3. This morning we have had a very fruitful discussion on a wide range of issues of mutual interest and concern. Since the establishment of diplomatic relations between Malaysia and Sweden, both our countries have enjoyed friendly relations which have gradually expanded over the years, bilaterally as well as multi-laterally.

4. Today, among the Scandinavian countries, Sweden ranks as Malaysia's largest trading partner and there are significant Swedish investments in Malaysia. The modernity and sophistication of Swedish technology is world renowned and we certainly look forward to learning from you as we intensify our industrialisation efforts. In this regard, the initiative of Swedish companies in Malaysia to establish a Malaysia-Sweden Scholarship Fund is indeed commendable, enabling Malaysians to acquire practical training and hi-tech knowhow from Sweden.

5. Today, Southeast Asia is at peace with itself and the rest of the world. We now have the opportunity to concentrate our energies on achieving stability and progress.

6. Southeast Asia is among the few fortunate regions to benefit from the ending of the Cold War. The same is happening to the Nordic region where the Baltic republics are seeking reintegration with their western neighbours. Regrettably, in the Balkan region, Serbian aggression and

extreme nationalism has thrown Bosnia-Herzegovina into senseless conflict and turmoil, which may well extend to Kosovo and Macedonia.

7. Malaysia appreciates that Sweden has contributed generously to the UN peacekeeping and humanitarian relief efforts in Bosnia-Herzegovina. Malaysia too has deployed 1,500 soldiers in Bosnia under UNPROFOR. This together with our active participation in practically all United Nations peacekeeping activities reflect our belief in collective responsibility to safeguard the sovereignty and territorial integrity of member states. As a small nation Malaysia is well aware that we are not free from such threats.

8. Recent developments on the Bosnian situation have given rise to a glimmer of hope for normalcy and peace for that tragic nation. However, we must not deceive ourselves into any premature celebration. A durable peace can only be achieved if the European powers are prepared to let deeds follow words. It is the shooting down of few Serbian aircraft that delivered the message. But for that the massacres would have gone on.

9. Malaysia has also noted with interest the recent completion of the negotiation process in the application of Sweden, as well as Austria, Finland and Norway to join the European Union (EU). An enlarged European Union, stretching into the Arctic Circle and the borders of Russia, with a single market of over 370 million people presents us with an enormous challenge and opportunity of increased trade and cooperation. We hope that Swedish participation in the EU would lead to a more liberal economic approach by the EU internationally. As trading nations, our future well-being depends very much upon open and unmanaged international trade.

10. We should therefore welcome the recent agreement in the GATT negotiations and the proposal for a World Trading Organisation. We hope that everyone will abide by the terms of the agreement. It would be disastrous if some were to renege or take unilateral action.

11. A developing country like Malaysia has very few comparative advantages. When we industrialise we have to pay interest on foreign capital, royalty on foreign technology, taxes to penetrate the markets of the rich and considerable amounts on consultancy. Our sole advantage is our lower cost of labour, made possible by our low cost of living. We have to forego many luxuries, and even some necessities.

12. If this sole advantage is taken away from us then we will not be able to develop much less catch up with the developed countries. Yet there have been talks of levelling the playing field by removing the labour cost advantage we have.

13. I would like to point out that a level playing field is only meaningful if the contestants are of comparable strength. But a level playing field is meaningless for midgets competing against giants. We of the developing countries are midgets and can find no solace in levelling the playing field without cutting down the giants to size.

14. In conclusion, may I once again express our pleasure in having you and members of your delegation with us this evening.