

SPEECH BY: YAB Dato Seri Dr. **Mahathir** Bin Mohamad
The Prime Minister

EVENT: On The Occasion Of The Visit Of The Prime Minister Of Thailand

VENUE: At Sri Perdana, Kuala Lumpur

DATE: 29 May 1996

TIME: 8.30 p.m.

It gives me great pleasure to welcome Your Excellency and members of your delegation to Malaysia. Your visit is indeed significant as this is your first to Malaysia, since assuming the Prime Ministership seven months ago. This is our second meeting this year. I value the occasion for meeting and exchanging views with Your Excellency. I hope that the goodwill and understanding reinforced by our regular meetings will make the relations between our two nations more dynamic and substantial. Your presence and the presence of several of your Cabinet colleagues, together with important private sector personalities, symbolise our mutual desire to strengthen further the traditionally close and special relations that exist between Malaysia and Thailand. I look forward to exploring new avenues during our bilateral consultations tomorrow in order to enhance bilateral ties.

2. Malaysia and Thailand are close friends and neighbours in the ASEAN family. Our relations have over the years progressed amicably. The broad cooperation under the purview of the Joint Commission and the General Border Committee are proceeding well. In many instances they manifest the confidence and trust Malaysia and Thailand place in each other. People to people contact is also substantial. Every year close to a million Malaysians visit Thailand and about half that number of Thais visit Malaysia. The rapid construction of new communications network throughout Malaysia and Thailand will certainly facilitate greater travel and contact between our two countries and create new growth areas. Malaysia also welcomes Thailand's initiative to forge land communication links between herself and the countries of Indo-China. This will bring the region closer together as they will enable Malaysia to gain access to these countries also.

3. I see similar motivation when Thailand agreed with Malaysia to promote the idea of a growth triangle involving Northwest Peninsular Malaysia, Southern Thailand and Northern Sumatra. The idea of exploiting our respective comparative advantages to develop a common growth area was not only economically logical but politically desirable as well. Socio-economic developments of our less developed regions would help to balance the growth of our respective countries and bring these areas into the national economic and political mainstream. And by encouraging the private sector to lead in the development of the IMT-GT, we are planting the seeds of real cooperation between our private sectors, to prepare them for bigger things when the ASEAN Free Trade Area is fully realised. In this connection, I am happy to note that Thais and Malaysian companies together with the Indonesians are actively discussing a "Land Bridge" that will alleviate traffic congestion in the Straits of Malacca and create new centres of growth in Southern Thailand and Northern Peninsular Malaysia and North Sumatra. Its advantages for our countries are obvious and I am confident that our Governments will give it the support it deserves. I am also

encouraged by the fact that in the overlapping continental shelf area, we have turned a potential conflict into a source of opportunity by creating the joint development authority to jointly exploit and equitably share the benefits of non-living resources of the areas. We will soon reap the fruits of the vision of past leaders.

4. The weakness in our bilateral relations is in the area of direct investments. Despite the incremental expansion in bilateral trade, Thai direct investments in Malaysia in 1995 amounted to only RM552 million (5.4 billion Baht). The bulk of Thai investments is in the rubber products industry, food manufacturing and textile products industry. Together, these three industries account for over 85 percent of all Thai investments in Malaysia. Likewise, Malaysian investments in Thailand have been equally unimpressive. I believe that more can be done to upgrade this particular sector. In this context, I am very pleased that Your Excellency has included prominent Thai businessmen in your delegation. I hope they will utilise the visit to explore with their Malaysian counterparts new investment and joint venture opportunities either in the domestic market or in third countries, particularly in the manufacturing, transportation, utilities and communication sectors.

5. I am deeply convinced that the depth of mutual understanding and trust between our two nations has significantly contributed to the overall atmosphere of peace and cooperation in the region. Indeed, in the case of ASEAN the sum of its parts truly constitutes the better whole. I recalled with pleasure the Fifth ASEAN Summit that was held in December last year in Bangkok which has manifested the maturity and confidence of the Association. ASEAN has now become a forum capable of sustained cohesiveness upon which political~ security, economic and functional cooperation issues have been and continue to be effectively addressed and managed. We would in the years ahead see ASEAN focus more sharply on forging quality development and prosperity for its member states, whilst enhancing ASEAN's role in international economic affairs through the ASEAN Regional Forum. The Bangkok Summit was truly momentous as it set in train the eventual incorporation of all the countries in Southeast Asia as ASEAN members, fulfilling the dream of the organisation's founders for a truly united Southeast Asia. We in Malaysia placed great value on this unity for, individually, we have minimal ability to influence developments which can have repercussion in our countries.

6. ASEAN also has on its agenda the EAEC, a forum not directed against anyone. Rather the EAEC would provide the opportunity for the expanding economies of East Asia to discuss economic matters of common concerns to them. An East Asia that is able to develop orderly with minimal dislocations surely would be good for everybody. I am therefore grateful to the Thai Government for being one of the earliest to see and support the logic of the EAEC. No doubt ASEAN will continue to be seized with the proposal until its realisation.

7. No man is an island and the present global realities point towards the ever increasing global interdependence. There exists a concentration of economic dynamism in some parts of the world and poverty, deprivation and conflicts in other parts. Regional and international cooperation have become indispensable to the common good and prosperity of the international community is to be achieved. Malaysia and Thailand are relatively small nations but we have shown the commitment and courage to participate and

contribute positively in the realm of multilateral cooperation namely in the United Nations and its numerous agencies. It is through such participation that Malaysia and Thailand can play a role towards achieving global peace and prosperity.

8. I view the regular exchanges of visits between the leaders and officials of our two countries as very useful in fostering the extremely close relationship between our two countries. We need to continue this practice.

9. We also need to encourage the younger generation to get to know each other better, to instil in them the spirit of togetherness that happily exist between Malaysia and Thailand and within ASEAN. I look forward to more of these exchanges.

10. May I take this opportunity to offer my sincere felicitations, through you, to His Majesty on the 50th Anniversary of his ascension to the throne which is to be officially celebrated this year.

Kuala Lumpur

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