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(Prime Minister)

EVENT: The Botswana-Malaysia Business Meeting

VENUE: Gaborone, The Republic of Botswana

DATE: 03 May 1997

TIME:

1. Let me begin by saying how happy I am to be here in Gaborone today, to be among distinguished members of the Botswana and Malaysian business and industrial community. I thank the organisers, especially the Botswana Confederation of Commerce, Industry and Manpower (BOCCIM), for the initiative in organising this meeting.

2. The meeting here today is opportune and marks an important step towards closer relationship between Botswana and Malaysia. I welcome this opportunity to address the business communities of both our countries as it provides an ideal platform for the meeting of minds and exchange of ideas between our businessmen. They have a critical role to play in forging and enhancing bilateral relations between us. I believe that increased interaction between our two countries, through visits and meetings such as this, will further strengthen economic relations and boost bilateral ties, bringing closer the peoples of Botswana and Malaysia.

3. Given the present ease of transport and travel, countries must constantly seek new partnerships and linkages to remain competitive. We are much closer to each other than before. Developing countries like Botswana and Malaysia should take the opportunity to forge mutually beneficial trade and business alliances and accept new non-traditional partners consistent with the realities of the current global economic environments. History no longer stand in the way of us making new friends, and learning from the experiences of others in different parts of the world.

4. It is in the light of this that Malaysia seeks new friends in Africa. Our common membership of the Commonwealth and United Nations has fostered greater understanding of each other's need and aspirations. For many years we have been able to work together within these organisations in the common search for a more equitable and better world for our people. Now, the time has come for our two countries to explore and expand the scope of our cooperation into substantive

economic collaboration in particular that can yield positive benefits for both our countries.

5. It is noteworthy that our two countries share many things in common. Our countries have experienced a period of British colonial rule which, upon independence, had thrust upon us the huge responsibility of forging a united nation out of diverse ethnic and tribal groups and improving their economic well-being. The task of creating wealth and distributing it fairly while investing sensibly for the future has been the greatest challenge for us.

6. We in Malaysia are encouraged by the economic and fiscal reforms undertaken by the Government of Botswana. I am made to understand that the ongoing economic liberalisation and incentive schemes for foreign investments and joint ventures have already laid the foundation for increased growth in the key sectors of the economy. These incentives and liberalisation policies will surely create greater confidence among foreign investors, who we believe can contribute towards the economic growth of Botswana.

7. Malaysia's own experience of direct foreign investment (FDI) has convinced us of the efficacy of FDI as a method to jump-start an economy of a nation. Foreign investments have provided jobs, foreign exchange, transfer of technology, expanded our industrial base and provided linkages between the agricultural and industrial sectors. It has also spawned the growth of medium and small-scale industries. From these small beginnings Malaysia has grown into a semi-industrialised nation which is able to invest in other developing countries. Guided by this experience, Malaysia has endeavoured to play a somewhat similar role by cooperating with other developing nations in the South like Botswana.

8. Malaysia understands the magnitude of the task faced by the Botswana Government in developing this nation. Therefore Malaysia hopes that its relationship with Botswana should go beyond the area of business and cater to the nation building needs of Botswana as well. We are prepared to work together in other areas to assist the Government in realising its socio-economic objectives where we may be competent. Likewise Malaysian businessmen here today could explore mutually beneficial ventures that would bring more meaningful benefits to our peoples.

9. Bilateral trade between Botswana and Malaysia has been growing steadily, albeit slowly, from a mere US\$17,500 in 1992 to US\$541,000 in 1996. The present

level of trade between our two countries is very low compared with Botswana's and Malaysia's total global trade. The bulk of Malaysia's exports to Botswana comprised medicaments, including veterinary drugs and medicines, followed by plastic articles, soap and cleansing equipments. The value of imports from Botswana for the said year was almost negligible, giving a balance much in favour of Malaysia. If it is not possible for Malaysia to import more from Botswana, we would like to help you export more to other countries. In the end it is the total balance of payments which counts. It is impossible to balance trade with every country.

10. Distance, as well as the fact that we know too little about each other's potential and resources have contributed toward the small size of our trade with each other. Hence, we find that a narrow range of products are currently being traded with little information on market opportunities. But with this visit and this meeting of the business people and Government officers we should be able to improve on the current situation.

11. It is in this context that I have brought with me a trade and investment delegation comprising leading businessmen and entrepreneurs to establish contact and interact with their counterparts here so as to expand the scope of our bilateral relations. The Malaysian businessmen accompanying me today are those who come from sectors like banking, telecommunications, property, development, mining, construction, power generation and tourism. I am certain that arising from these discussions, the business communities of both countries can identify new areas of mutual interests for joint cooperation.

12. Malaysia is modestly proud of its economic development. Some have describe Malaysia's development as a miracle. I can assure you that there is no miracle at work. The development is due to hard work, very hard work and accepting the facts of life, including of course the fact that a country in political turmoil can only regress, leaving nothing for anyone to celebrate. We have therefore worked hard to instil common sense in our people. These are the secrets of our success, and obviously anyone can avail themselves of this simple formula.

13. As Malaysia advances to realise its long term goal, the stress on productivity and global competitiveness becomes more urgent. To achieve this goal, Malaysia has embarked on a concerted drive to enhance trade, economic and commercial links with other newly emerging economies. The Malaysian private sector has been very

supportive of this drive. They have established business contacts and networks in many developing countries in Africa, Latin America, and Asia which have resulted in a greater flow of trade and investment.

14. Malaysia's job creation strategy has been so successful that we are now short of workers. Hence, Malaysian industries have been moving abroad in search of resources and factors of production which are abundant and competitively priced. These companies have acquired experience in the development of export processing zones and housing projects, the construction of hotels, tourist resorts and highways, the provision of telecommunication and television broadcasting services, banking as well as the traditional area of plantation management.

15. Exposure to the manufacturing industry by foreign investor has helped us to start indigenous manufacturing on our own. Apart from being the world's leading producer and exporter of a range of manufactured products such as rubber gloves, rubber threads, room air-conditioners, semi-conductors and audio-visual equipments, we are now manufacturing Malaysia's own branded goods of world standards. They are competitively priced and we should be able to supply substitutes for the higher-priced products of the same goods you are importing now.

16. It is also our experience that good infrastructure is a necessary prerequisite for development. Malaysia has extensive experience in infrastructure and rural development. We believe that the Malaysian and Botswana private sectors can complement each other in banking, tourism and agro-related industries. I am also informed that the mining industry in Botswana accounts for 88 percent of the country's exports and is endowed with reserves of untapped minerals which have the potential to contribute to its economic growth. Malaysian investors could play a positive role in developing this potential through joint ventures with their counterparts in Botswana.

17. I understand that you have just concluded the business meetings with your counterparts from Malaysia. It is my sincere hope that the MOU's and business ventures agreed to between Malaysian and Botswana companies during the course of the business meetings would serve as a model of good and lasting cooperation between our two countries in the South.

18. There is considerable scope for bilateral cooperation in the field of training. Malaysia's Technical Cooperation Program (MTCP) provides short

courses in areas like economic planning, privatisation, public administration, agriculture and environmental protection. We hope Botswana will avail themselves of these opportunities.

19. Given the present momentum of change, I am confident that the Botswana economy will soon be able to achieve sustained economic growth. The country's eighth post-independence National Development Plan should see Botswana firmly set on the path of economic diversification. Malaysia on its part will urge its private sector to work together with their Botswana counterparts to achieve Botswana's national goals.

20. Finally, on behalf of my delegation, I would like to express my deepest appreciation to His Excellency the President, the Botswana Government and its people for the warm hospitality and friendship extended to me and members of my delegation.

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