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( PERDANA MENTERI )

EVENT: THE STATE LUNCH IN HIS HONOUR HOSTED BY H.E. PRESIDENT LUIZ INACIO LULA DA SILVA, PRESIDENT OF THE FEDERATIVE REPUBLIC OF BRAZIL

VENUE: BRASILIA

DATE: 17 MAR 2003

TIME:

Let me first of all, thank you, Mr President, for your warm words of welcome and the generous tribute paid to the government and the people of Malaysia. On behalf of my wife and members of delegation, I would like to sincerely thank you for the warm hospitality and the excellent arrangements made during this visit.

2. It is with great pleasure that I undertake this visit, and I recall the fond memories of my first official visit to beautiful Brazil in 1991 and my second visit in 1992 to attend the Rio Summit on Environment and Development.

3. We had fruitful discussions this morning, and both sides had the opportunity to exchange views on the state of our bilateral relations as well as regional and international issues of mutual concern. I am pleased to observe that generally we are in agreement that there is indeed great potential to further the scope and depth of our relations.

4. Brazil continues to be Malaysia's largest trading partner in South America. Last year, the bilateral trade between our two countries was registered at US\$ 639 million as against US\$ 514 million in 2001. However, such trade constitutes only a small percentage of our total world trade volume. I wish to express the hope that my visit to Brazil will generate greater flow of trade and investment between our two countries. I believe greater efforts should be made to increase the volume of our bilateral trade. In this regard, many Malaysian business corporations have participated in the various trade fairs in Brazil, particularly in Sao Paulo and in Rio de Janeiro. By participating in the trade fairs, Malaysian businessmen are made aware of the various economic opportunities in Brazil. As Malaysian businessmen are being encouraged to seek business opportunities in Brazil, Brazilian businessmen are welcome to do likewise in Malaysia where opportunities abound. We should encourage the private sector of both countries to explore and establish mutually profitable linkages. In this connection, I am pleased to observe that the Malaysia-Brazil Business

Council was established two years ago and the members of this council include many big Brazilian corporations like Avibras and Embraer.

5. It is also a matter of satisfaction to me that there are some Malaysian investments in Brazil, namely in the States of Amazonia, Para, Sao Paulo and in Parana, ranging from investments in timber complex, to rubber gloves and in security seals. I hope that there will be more Malaysian investments in Brazil. At the same time, I would also like to express the hope that Brazilian corporations could make investments in Malaysia.

6. Malaysia and Brazil are emerging economies with almost similar level of economic development. Therefore there are tremendous potentials for cooperation, taking advantage of our respective strength and experiences. The new areas of cooperation could be in information technology, biotechnology, space technology, aerospace, hydro power generators and agricultural research. We believe that both countries have much to gain from closer economic and technological cooperation.

7. As regards exchange of visits, both countries need to sustain high level visits and promote more intensive contacts and interactions between our peoples, especially between the government and business leaders, scientists, sportsmen and youth.

8. We are very happy that in May last year, the Brazilian football team chose Malaysia to acclimatise themselves before the World Cup Tournament in South Korea and Japan.

9. The friendly football match played between the Malaysian and the Brazilian teams in Kuala Lumpur, contributed to the greater consciousness and awareness of our two countries among our youth.

10. At the present moment, we are preoccupied with the situation in the Middle East and the uncertainties relating to the threat of a looming war in Iraq. We believe that there should be no unilateral approach to international issues disrupting the international peace and security. We strongly believe that problems should be resolved peacefully under the aegis of the United Nations and countries should not resort to war.

11. Mr. President, may I commend you on the benevolent policies and projects that are being undertaken by your government since your inauguration on 1 January 2003. The Zero Hunger programme and other policies will certainly benefit the most vulnerable in the Brazilian society. May I take this occasion to wish you every success in carrying out your responsibility.

12. Once again, on behalf of my wife and delegation, I would like to express our gratitude and appreciation to you and your government for the warm hospitality and excellent arrangements made for our visits.