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(PRIME MINISTER)

EVENT: TIMOR LESTE-MALAYSIA BUSINESS DIALOGUE

VENUE: TIMOR LESTE

DATE: 23 OCT 2003

TIME:

It has been almost one and a half years since Timor Leste gained her independence in May 2002 and the Government is committed to the process of reconstruction and nation building. We are also pleased to note that you have your own Vision 2020 to guide you through this process of nation building.

2. Timor Leste has made considerable progress in planning, capacity building, and putting in place the necessary institutions and structures. The Government's Road Map, incorporating the priorities of law and order, justice, the legitimisation of local authorities, employment creation, and service delivery for poverty reduction in health, education and agriculture are all clear indications of this Government's commitment to the well being of the citizens.

3. Malaysia is a firm believer in the ability of countries to be self-reliant, but we also understand that the process can be facilitated with continued support and encouragement from nations with similar experience that have the desire to do so. In this regard, Malaysia is committed to working with Timor Leste in its process of reconstruction. We were here when you were in the process of establishing your country and we will continue to cooperate and collaborate in your economic development endeavours.

4. An important aspect of nation building is the development of human resources. The Malaysian Government places high emphasis on human resource development. More than 26 per cent of our annual budget is allocated for education. The acquisition of technological skills and knowledge has assisted in accelerating Malaysia's economic growth and the expansion of manufacturing activities of world standards. Malaysia is ready to share our experience with Timor Leste in areas where we have developed expertise.

5. In this regard I am happy to note that 124 officials from Timor Leste have undergone training in areas such as administration, investment, diplomacy at

the Public Administration Institute (INTAN) and Institute of Diplomacy and Foreign Relations. We have also provided training to 29 youths from Timor Leste in a range of areas including building technology, fabric technology, printing, automotive, furniture manufacturing and electrical services.

6. While the Malaysian Government does its part in collaborating with Timor Leste, our private sector has also been encouraged to invest here. As a matter of fact, in 2002, Malaysia ranked as the second largest investor in this country. There are to date, more than 90 Malaysian companies investing in your country, in areas such as hotel and restaurants; consultancy and accountancy services; information technology; legal aid services; transportation and mechanical services; shipping services; energy; commerce and general trading activities.

7. Malaysia notes with interest efforts undertaken by the Timor Leste Government in attracting foreign investments. Promoting Foreign Direct Investment (FDI) has been an important strategy for generating and sustaining the economic growth of Malaysia. In this regard, we are happy to share with you our experience in promoting FDIs. We note that Timor Leste is keen to attract foreign participation in fisheries, oil and gas, rebuilding its infrastructure such as ports and roads, construction and civil engineering, light manufacturing activities.

8. I would like to reiterate that while the Government provides the framework for cooperation, it is the private sector's active involvement that will help realise the objective of enhanced economic cooperation between both countries. The business community should strive to optimise opportunities that are made available, establish contacts and linkages as well as collaboration with their counterparts for mutual benefit. I hope the business community of both countries will make use of our meeting here as opportunities to establish business linkages for mutual benefits in the future.

9. Understandably, trade between our two countries is small. However, I am sure there is much we can do to expand trade. In 2002, Malaysia's total trade with Timor Leste amounted to US\$0.39 million with exports from Malaysia valued at US\$0.31 million and imports from Timor Leste totaling US\$80,000. Malaysia's exports to Timor Leste comprise electronic devices, telecommunication equipment, parts and accessories and beverages. The potential to increase our bilateral trade is good, given our close links and economic complementarities associated with our level of development.

10. As Timor Leste rebuilds its economy, the business

communities of both countries will find greater opportunities to enhance trade flows.

Ladies and Gentlemen,

11. Malaysia considers the private sector as a partner in our economic development. This is encapsulated in the Malaysia Incorporated policy that we put in place in 1983. The Government facilitates the efforts of the private sector by putting in place the necessary policies, incentive schemes, infrastructure and framework to provide a conducive and pro-business environment for the private sector to operate in.

12. I hope our presence here will encourage an exchange of ideas and establish collaboration and networking among the business community of both countries.

13. Finally, I would like to express my sincere appreciation to the Government and people of the Timor Leste for the very warm welcome and hospitality extended to us.