



PRIME MINISTER

**SPEECH BY THE PRIME MINISTER, THE HON P.J. KEATING, MP
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(CHECK AGAINST DELIVERY; EMBARGO 9PM AEST)

Thank you very much for your warm welcome.

I am pleased to have the opportunity to return the visit of Prime Minister Khamtay to Australia last December - very pleased to visit Vientiane and Laos.

In the last two years, as Prime Minister, I have been to many of the countries of the region. I have to say that, apart from the quite phenomenal energy and growth to be seen, nothing is quite so striking as the difference between them.

Every country I have visited is a reminder of the fallacy which still prevails among many people in the Western nations, that Asia is essentially monolithic - that the countries of Asia are fundamentally alike.

Laos is another reminder of the untruth of that.

Not only is Laos a country with a unique history and cultural heritage, within your borders live, I understand, people from about 70 different ethnic backgrounds.

While I suspect that it is not widely known in the rest of the world, including in Asia, the modern Australian population is also a heterogeneous one - deriving from some 150 national backgrounds, including the nations of Asia.

Despite this, I think it is safe to say that in Asia many people think of Australia as a purely European - essentially British - country, with a purely European and essentially British view of the world.

In fact, like Laos, these days our view of the world is distinctly our own.

Like Laos, Australia has embarked on a new future. Like Laos, we seek it primarily in new and deeper relationships with the countries of Asia and the Pacific.

And because we have undertaken some fundamental reforms to open up our economy, we are succeeding.

Today the Asia Pacific is where we do most of our trade; it is where we invest; it is where we work to develop the necessary structures for trade and investment, increase mutual understanding and strengthen the security of the region.

We have long recognised the fact of our proximity to Asia. We have long seen the necessity to engage with the region.

Our forty year old relationship with Laos is evidence of this.

But we have never engaged as we engage now. Our relationships with the countries of the region have never been so rewarding or so complete. We have never been so positive about our relationship with the region, nor so confident about the creative role we can play.

To do this we have had to open up both our economy and our minds.

We have recognised the rewards to be gained from engagement with the most dynamic economies in the world; and the benefits which flow from our participation in the economic development of countries like Laos.

These are great rewards.

But Australia has also recognised that, whether it is in our relationships with the developed or the developing countries of the region, there is an added dimension to the return on our investments.

There is a sense in which contemporary Australia is discovering itself through its increased involvement in Asia.

We have discovered, among other things, that we can compete with the Asian economies.

In learning to compete we have discovered new capacities to work more efficiently and more cooperatively, to use and develop our skills and technology, to develop products and markets for them, to understand and do business with countries very different from our own. Countries like Laos.

We have also discovered that we can play a creative role in the great issues confronting the region. We learned that through the success of initiatives to bring peace to Cambodia.

We learned it through our initiatives with APEC - the forum which promises to contribute so much to trade and investment in the Asia Pacific.

And we have discovered that, far from representing a threat to our culture and institutions, our engagement is increasing our confidence and re-shaping and renewing our sense of national identity.

For similar reasons I believe Laos should feel confident that its culture and traditions will readily survive the new openness the Laotian government is encouraging.

Your government's far-sighted reforms will enable Laos to deepen its relations with other countries in the region.

Reforms such as the new liberal foreign investment laws are attracting investment and expertise essential for economic development.

Australian companies are keen to take advantage of them.

It is an example of the way in which, with the easing of longstanding political antipathies, we are discovering that we have many complementary interests.

Australian companies can offer expertise in transport, building and construction, communications and energy emerging from the experience of developing a vast and immensely varied continent.

It is a matter of great pride and satisfaction to my government and to the Australian people that we have put these skills to use in the construction of the Friendship Bridge.

It is our great hope and belief that it will play an important part in making the future for the people of Laos more secure and more prosperous.

Australia hopes that the Friendship Bridge will be an enduring symbol of our relationship with the region - of the expertise we can bring and the good will we bring with it.

It is also a matter of pride that, like the Friendship Bridge, the new border control facilities, which it will be my privilege to open tomorrow, were funded by Australian development assistance and engineered by Australian companies.

Australia is now the third-largest foreign investor in Laos.

An Australian company, Transfield, is developing the Nam Theum 2 hydro-electric project - the largest single enterprise investment ever undertaken in your country.

Normandy Poseidon, an Australian mining company, has formed a joint venture to explore for minerals and develop a 5,000 square kilometre area north-east of Vientiane.

During my stay I will have the pleasure of witnessing with Prime Minister Khamtay the signing of a Memorandum of Agreement between the government of Laos and the Hydro-Electric Corporation of Tasmania to develop two major projects in Southern Laos.

Prime Minister Khamtay and I will also witness the signature of an investment promotion and protection agreement setting up a framework for commercial relations between us.

I also take this opportunity to say that the Australian government is aware of the acute rice shortage Laos is presently suffering - and I am able to announce this evening that Australia will contribute \$1 million in emergency relief funds through the World Food Program to help meet this need.

Tonight I am pleased to announce the first Australian multi-year commitment to Laos - \$47.5 million over the four years to 1997.

This will allow pressing needs in a number of development sectors in Laos to be addressed.

These include the construction of a number of bridges on Route 13 and further road works in association with the Friendship Bridge.

An innovative program of English language instruction to be screened on Australian Television International supported by audio visual and print materials.

A childrens health initiative including an increased effort to eradicate polio and control malaria in the region.

We are friends of 40 years standing. Yet only now are we discovering the potential of our friendship.

While very different countries we are rapidly learning to recognise similarities in outlook and interest we had never seen before.

A common interest in trade and investment, in regional security and prosperity; a common interest in protecting our culture and identity while underpinning our future prosperity.

If Australia and Laos continue to look for the common ground between us, while remaining open to the region and the world, I have no doubt that our friendship and our two countries will grow and prosper.