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PRIME MINISTER

**SPEECH BY THE PRIME MINISTER, THE HON P J KEATING MP
DINNER GIVEN BY THE PRIME MINISTER OF MALAYSIA,
KUALA LUMPUR, 15 JANUARY 1996**

Prime Minister, thank you for the honour you do me and my country with this dinner and this visit, the first by an Australian Prime Minister since 1984.

The friendship between our two countries is old and runs deep. 50,000 Australian servicemen and women have served in Malaysia, and many lie buried in Malaysian soil. 120,000 Malaysians have studied in Australia. 200,000 Malaysians and Australians come and go between our two countries each year.

Prime Minister, I know Australians hold your country in warm regard. I know they want Australia's relationship with Malaysia and the Malaysian people to thrive.

And it should thrive. Our shared past provides a strong foundation, but increasingly the strength of our relationship derives from the future we share. Whatever the benefits of our relationship in years gone by, there are more - many more - to be gained in the years ahead.

The past can no longer be the primary source of understanding between us. We must work hard to understand the modern face of our two countries. Consistent with the changes being made in both countries, and with the fluid international environment in which both countries live, Australia and Malaysia need a fresh, contemporary appreciation of each other.

Change is something we have in common. It is fundamental to our contemporary existence - as undeniable as any fact in our history.

Under your leadership, Prime Minister, Malaysia has set itself the goal of becoming a developed country by 2020. And anyone who has watched your progress in recent times will be in little doubt that you will succeed.

Malaysia is now one of Asia's most rapidly growing economies, with a rate of growth consistently better than 8 per cent, and this year at 9.5 per cent. Your country is a dynamic force for prosperity in the region, and this modern city of Kuala Lumpur is emerging as a major regional business centre.

It is a quite remarkable economic transformation, a remarkable national achievement and, Prime Minister, it is, indelibly, a remarkable tribute to your personal vision, leadership and energy.

Malaysia's economic revolution is watched with admiration in Australia, where the necessity for economic change and the rewards and difficulties which accompany it, are well understood. The process has been different in Australia, but the ambition has been the same. We recognised more than a decade ago that our future depended upon sweeping economic change.

The changes we made turned Australia into one of the most open economies in the world: open, innovative and diverse, forty per cent more competitive than it was a decade ago and growing consistently.

Our mining and rural industries remain great strengths and continue to complement the needs of rapidly developing countries in the region, including Malaysia. But our fastest growing exports are manufactures and services, and elaborately transformed manufactures are growing faster than anything else.

This is why we say, Prime Minister, that we understand the need for change and the realities of it.

And because this change in our economy has been made contemporaneously with the new dynamic growth in countries like your own, we also say that this is the region where Australia's future lies.

The facts speak for themselves. Sixty per cent of all our exports go to the countries of Asia. Forty per cent of our imports now come from those countries.

By the end of this year all of our top ten export markets will very likely be in the Asia-Pacific region.

The level of our engagement with Asia is unprecedented and I believe irreversible. And not just in economic terms. We now seek our security in the region not from the region.

We continue to participate in the Five Power Defence Arrangements, which contribute directly to the defence of Malaysia and Singapore. We are an active participant in the ASEAN Regional Forum. We have just signed an historic security agreement with Indonesia, which signals the complete confidence each of us has in the strategic intentions of the other. And our alliance with the United States constitutes a dependable pillar of security in the region.

Our cultural links with the countries of the region go back a surprisingly long way. Australia has long been one of the "universities of Asia" and that tradition continues with nearly 70,000 Asian students - around 10 per cent of the Australian student population - now studying in Australia.

At the same time, Australians are increasingly learning from Asia. In no other country in the world, in fact, is such a high proportion of the population studying the languages of Asia as second languages. And in ten years' time we aim to have 60 per cent of Australian school students studying an Asian language.

At a less formal level, the last decade and a half has seen an extraordinary growth in our awareness of Asian countries and their cultures. Travelling in Asia is much more common. For many young Australians, the countries of Asia have replaced Europe as the place to go and see and learn.

At the same time, of course, Asian migration to Australia has radically increased our understanding of Asian cultures and values. And with Asians comprising the largest proportion of new migrants each year, this is a pattern which is bound to continue.

Prime Minister, none of this is to say that we are in the process of becoming "Asian". We cannot be Asian any more than we can be European, American or African. What we can be, and what we are determined to become, is a society which is rare in its cultural diversity, richness and tolerance, and a country which is strong and integrated with the region around it.

Prime Minister, there are almost limitless opportunities to develop what is already a very healthy relationship between our two countries. Last year trade between Malaysia and Australia increased by 22 per cent. Tomorrow, when I talk to business people from both countries, it will be with a view to increasing that growth still further.

Technology and research, including environmental technology which you and I have talked about in the past, is one important new area for cooperation between us. Education will be another: the finalisation of your new Education Act will broaden the range of our cooperation enabling the establishment of twinning arrangements between Australian and Malaysian institutions, and the opening of Australian campuses in Malaysia. Of course, as I have said before, I sincerely hope that even with these changes students from each country will still have the opportunity to live and study in the other.

As Malaysia prepares for the Commonwealth Games in 1998 we are preparing for the Olympic Games two years later. The conjunction obviously creates the potential for cooperation on matters relating to sport - by which I mean everything from youth development to building infrastructure.

For these and many other reasons, I believe the last few years of this century hold out the chance to deepen and expand the relationship between our two countries.

In addition, we can continue to work together in a multilateral environment: in APEC and in the development of links between AFTA and the Australian/New Zealand Closer Economic Relations agreement.

We have common views about the world. We agree that the end of the Cold War creates a unique opportunity to address the threat of nuclear weapons. We welcomed the signature of the South East Asia Nuclear Weapons Free Zone treaty at the ASEAN Summit last December. And next week we will welcome Datuk Ronald McCoy from Malaysia when he joins a group of outstanding international statesmen, scientists and military strategists in the Canberra Commission on the Elimination of Nuclear Weapons.

Prime Minister, we have great interests in common and we share great opportunities - commercial opportunities, opportunities in science and technology, education, tourism and much else. Above all, we have the opportunity to create a new level of mutual understanding between the peoples of Australia and Malaysia, and to forge a rich and rewarding friendship which will endure into the 21st century.

Prime Minister, I believe you will agree with me when I say that these are opportunities we cannot afford to let pass.

I thank you once again for the honour of this visit and this dinner, the warm welcome and the gracious hospitality you have extended to me, my wife and my party.