

AUSTRALIA AND MALAYSIA: DOING MORE TOGETHER

Address by Senator Gareth Evans, Australian Minister for Foreign Affairs and Trade, to Malaysia-Australia Business Council Dinner, Kuala Lumpur, 22 July 1991.

I am delighted to have this opportunity to address this MABC/AMBC Dinner on the occasion of your inaugural Joint Meeting, not least because of the central theme of this occasion: "Doing More Together - Malaysia and Australia in the 90s". We have achieved a great deal together in the past; we are certainly capable of achieving a great deal more together in the future; and I think we would all acknowledge that there is scope for doing at the moment just a little more together than we are.

There is no question but that our commercial relationship has been built on firm foundations, and has scope for major further development. Total trade last year was \$1.6 billion - making Malaysia our third largest regional partner, after Singapore and Indonesia - and the total stock of investment was around \$1.5 billion. These are more than 120 projects with Australian equity currently operating in Malaysia. Australian success stories here in the last year or two have included contracts for the management for the Port Kelang container terminal, catering services for Malayan Railways, engineering supervision for the Pergau Hydro Electric Project, communications equipment to Malaysian Telecom, and management and training services for the hospital system.

There is a sense of excitement among Australian businessmen I talk to about the potential of this country, not just at some unspecified time in the future, but here and now. Prime Minister Mahathir - especially with his articulation in February this year of the "2020 vision" and his announcement last month of the National Development Policy - has generated an image of Malaysia as a dynamic and purposeful country which knows exactly where it is going.

With real GDP growth at 9.7 per cent in 1990, and expected to be maintained at 7.5 - 9.0 per cent until 1995, there is every justification for that perception. The whole economy - following the blueprint of the 1986 Industrial Master Plan - has moved from primary dependence on commodities exports to its present status as a leading ASEAN exporter of manufactures.

Australian businesses contemplating investment here are not doing so with an image in their minds of Malaysia as a low income, low production-cost, developing country - but rather as a country where there is a strong (and strongly growing) skill base, a dynamic potential for sustained further growth, and a position at the hub of a very dynamic regional

economy. At the same time Malaysia is seen as a country of our own size, with a partly-shared cultural heritage, a strong defence relationship with us, and a long history of personal contact at all levels - all of which makes access and communication easier than in many other places.

These are some of the themes which provide the background to the Trade and Commercial Development Program for Australia in Malaysia now being developed. This program - and the published strategy document that will be associated with it - will very much reflect the confidence we have in the potential of this particular relationship, and the efforts we are putting in to making it work. Aimed at promoting greater economic engagement between Malaysia and Australia, the Program, among other things, identifies twelve separate areas as particularly attractive for Australian investment: infrastructure development, energy supply, agro industries and agriculture, timber-based industries, rubber-based industries, construction materials, electronic products, precision products, machine tools, marine management and vessels, defence equipment, education and tourism.

Of course we are acutely aware that in today's highly competitive environment, in Malaysia or anywhere else, we have to get our own act together. We know that we have in the past had a reputation - in at least some parts of Asia - as lazy and flabby: not only economically and socially indulgent but arrogant and patronising as well. If there was ever any truth in that image - and there may have been just a little - we have had it well and truly beaten out of us. We have seen many other countries in our region getting their economic and social acts together, and rapidly ascending the growth and income tables. We are still a wealthy country - with spending power, despite our small population, roughly equivalent to all six ASEAN countries put together - but our comparative position has been sliding over the years, and we know that we have to fundamentally change our economic culture if we are to retain and build upon that wealth.

The Hawke Labor Government has been acutely conscious of the need to fundamentally reshape our economy, and there have been breathtaking changes to that effect over our term of office - involving, among other things, deregulation of the financial system, rewriting of the tax system, corporatisation and partial privatisation of major government business enterprises, fiscal and monetary policies designed to strip inflation out of the system once and for all, and - above all - the stripping away of nearly all the protectionist baggage accumulated over generations of belief that we could not compete without it. We know now that we cannot compete internationally with the levels of protection we had. None of this adjustment has been painless, particularly in the international recessionary climate we have all been experiencing - but it has been necessary, and it has happened.

Part of the business of getting our act together in Australia has been to come to grips with the question of our basic identity. Are we to be forever seen as a European outpost, a kind of cultural misfit trapped by geography in an alien environment? Or are we to recognise

that Australia's future lies inevitably in the Asia Pacific region - that this is where we live and must survive strategically and economically, and where we must find a place and role if we are to develop our full potential as a nation.

I strongly believe, although it is not always completely visible to those outside Australia, that there has been in this respect a fundamental change in the centre of gravity of the country in recent years. Partly this has followed from the way in which we have become more fully and innovatively involved in the affairs of the region, for example in relation to the Uruguay Round (with the establishment of the Cairns Group to represent the interests of fair agricultural trading nations, including Malaysia), APEC, Cambodia and regional security matters. All of these activities have enabled Australians to see their own country not as a mouthpiece for anyone else, but engaged as partners with other countries in the region in finding cooperative solutions to regional problems.

Partly it is a matter of economic imperatives: we know we have to export more and faster, and not just in our traditional commodity areas, and the message has finally sunk in that we are living beside the fastest growing and most dynamic set of economies in the world. We did have, because of our commodity trade since the early 1960s, a Japan consciousness (as well as a United States and a European consciousness) but we did not have an Asian consciousness. That is rapidly changing.

Partly also it is a matter of much greater exposure to Asian people than has ever previously been the case for Australians - as a result of high immigration rates, growing levels of tourism each way, more and more Asian students coming to study in our schools and universities, and increasingly, the amount of new business Australians are doing in Asia and vice versa. It takes time for this to translate into a genuine, sensitive understanding of the subtleties of other cultures, so far as the population at large is concerned, but I believe we are gradually getting there.

The important thing is that, as countries living and working and doing business with each other in this region, we work actively at stripping away the stereotypes that undoubtedly continue to exist in each of our countries about the other. Australia and Australians certainly deserve, I think, by now, to be released from some of the perceptions about us - those I have already referred to - that we may, or may not, have richly deserved in the past. And certainly I think it is the case that knowledgeable Australians - in which category I certainly include the kind of business representatives here today - have long seen the stupidity of characterising Malaysia and other countries in this region in the kind of terms that may or may not have been appropriate in the colonial era.

Sometimes, of course, the messages we would like to be sending each other in this respect get a little fractured, and I think we are all conscious that some problems of this kind have developed in recent times in Malaysia-Australia relations. A number of different groups of

Australians - some in the media, some in Parliament and some in pressure groups in the wider community - have acted in a way which has been seen as not only insensitive to contemporary Malaysian realities, but on occasions downright insulting.

Among the matters which have caused offence in this way in recent years have been the public stances taken by some parliamentarians and others on the logging of tropical timbers, the future of the Penan people in Sarawak, arrests under the Internal Security Act in 1987, and the execution in 1986 of two convicted Australian drug traffickers, together with - most recently - the screening in Australia of the ABC television series, Embassy. These kinds of things tend to have a cumulative impact, and we are seeing that now in the reaction of the leadership of this country.

Faced with that reaction, one possible response by the Australian Government might be wounded indignation. But that would not be helpful. It is far better for us to try and understand the nature of the problem, and do what we can to resolve it in a quiet way. It is a matter of explaining what can be explained, acknowledging fault where it is due, and trying to ensure that there is a better basis for understanding in the future.

Some issues are just the product of differences of policy opinion. Australia completely respects the integrity of the Malaysian legal system, and the policy choice that has been made here about the best way to deal with the abhorrent business of drug trafficking - but we do have strong views in principle about capital punishment, and will go on expressing them, as we do now, anywhere in the world where executions take place, be it for example China, the Middle East or the United States. We will also as a government occasionally want to raise - preferably quietly - other issues from time to time which we see, for better or worse, as raising human rights questions. In return we accept absolutely the right of anyone else to raise such issues with us, for example over the treatment of Aboriginal people where we have had over the generations a great deal to answer for. We simply cannot have double standards on any of these issues.

Other issues which cause problems from time to time do not involve firm Australian Government positions, but are presently the subject of lively public debate. One such issue is the logging of tropical timber - not just in Malaysia but elsewhere in the region and, of course, in Australia itself. I say now that Australia is extremely conscious of the significance of this issue for a number of our neighbours; that we do take careful note of Malaysia's very firm commitment on environmental issues in the National Development Policy; that we believe this whole issue is one that cries out for an agreed multilateral solution; and that - whatever the final outcome - Australia will certainly not act in some capricious, unilateral way at Malaysia's expense.

The Embassy series is a particularly tricky issue for an Australian government to deal with because of our long established tradition of media freedom - not least in respect to the

public broadcaster, the ABC, which operates completely at arms length from the Government, with an independent charter. We can, and do, criticise the ABC and other print and electronic media when they get things wrong, or behave ignorantly and insensitively. We can, and do, express the hope in these situations that they will get things right, or behave more sensitively, in the future. We can and do dissociate ourselves publicly from particular reports or programs when it is our judgment that to do so is necessary to get our own position clear. We cannot and should not be expected to comment on everything the Australian media says about other countries, but where there is a danger of the report or program in question being taken as an official Australian position, we can and do distance ourselves accordingly.

Moreover, in the case of relations with other countries in our region, we have supported a number of exchange programs designed to give our journalists a better understanding of other cultures - most of which cultures tolerate less brashness and public aggression than our own - and of the ways in which at least inadvertent offence may be avoided. But while there are a number of things we can do, and are doing, what we simply cannot do, consistent with our own political and social culture, is to direct anyone in the media how to behave, and I believe that this is well understood in the region.

In the case of Embassy, the Government has been satisfied from the outset that no offence was intended by the program's producers. Moreover - as I wrote to my Malaysian counterpart shortly after the series started - the ABC has made clear to us that it very much regretted that any offence had been taken. But offence was taken, and it has to be acknowledged that there was some basis for that occurring. The program, filmed in suburban Melbourne and Fiji, dealt with what was meant to be a wholly fictitious country, "Ragaan", incorporating characteristics of some twenty real-life ones, and with plot lines drawn from incidents and issues arising all over the world. The difficulty, as I think we all have to acknowledge, is that the producers had located "Ragaan" - in a rather fuzzy map appearing in the first episode - not only in South-East Asia, but in a bulge half way up the Malay Peninsula! They had also, inadvertently so far as we can establish, included at least one or two other matters in various scripts which seemed to have a specifically Malaysian origin. It was obviously unfortunate that these particular exercises of dramatic licence occurred. We have discussed these points with the program's producers, who are sensitive to the problems involved. We cannot guarantee that similar problems won't recur in the future, but we very much hope that they won't.

Politicians are more conscious than most people how stereotypes catch hold with particular kinds of publicity, and can take forever to eradicate, even with the most minimal reinforcement. Stereotypes can and do exist, similarly, about whole countries - and it can be important not only for a country's pride, but its prosperity, that that stereotype not be reinforced. The last thing any of us in Australia want to do in relation to Malaysia, or any of our other Asian friends and partners, is to perpetuate outdated, damaging images. Our regional friends, like ourselves, have been adopting new,

independent, proud national identities - and we need to acknowledge and respect that about each other.

We need to develop, and encourage in our respective countries, clear perceptions of each other, and real mutual understanding. Much remains to be done, but the price of not doing it - as this audience will know better than most - is too great for us all.

So let me end with a sincere appeal - to Australians and Malaysians together, to governments and media and businesspeople alike - to put stereotypes behind us and get on with the business of business, enhancing our cooperation for our common good. Let us behave, more thoroughly and more often, as partners together in this dynamic and powerful regional economy - to which we both, together and separately, have so much to contribute; and from which we both, together, have so much to gain.

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