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**ADDRESS BY MR LEE YOCK SUAN,
MINISTER FOR TRADE AND INDUSTRY AND
SECOND MINISTER FOR FINANCE,
AT THE SECOND SINGAPORE-MYANMAR JOINT
MINISTERIAL WORKING COMMITTEE MEETING
AT SHANGRI-LA HOTEL
ON SATURDAY, 4 OCTOBER 1997 AT 9.30 AM**

May I first extend a very warm welcome to all of you, and especially to our colleagues and friends from Myanmar to this 2nd Singapore-Myanmar Joint Ministerial Working Committee Meeting.

This Second meeting comes on the heels of a historic event - the entry of Myanmar into the Association of South-East Asian Nations (ASEAN) in July this year. I would like to congratulate Myanmar on her accession into ASEAN. Singapore and Myanmar have always enjoyed warm and close ties. With both countries now belonging to the ASEAN family, there will be even more opportunities for interaction and co-operation. I am confident the relations between Myanmar and Singapore will grow from strength to strength.

Progress of Bilateral Relations

Although our close ties go back many years, 1994 was a turning point in terms of enhanced cooperation between our two countries. Prime Minister Goh Chok Tong visited Myanmar in March 1994 and agreed with

Senior Gen Than Shwe to foster even closer bilateral co-operation. The Agreement on Bilateral Economic Cooperation was signed in June 1995 and the inaugural Joint Ministerial Working Committee Meeting was held in Myanmar in Jan 1996.

That first Meeting decided on several initiatives in agro-business, tourism, human resource training and other areas. Substantial progress has been made. I am happy that this morning we were able to sign the Agreement on Maritime Transport. Our Chambers of Commerce and Industry have also signed a Memorandum of Understanding to enhance cooperation between our private sectors. Building on what has already been achieved we should do our best to make further progress today.

Bilateral Co-operation : Issues and Opportunities

Singapore-Myanmar economic relations are soundly based on the complementarity of our economies, mutual benefit, trust and goodwill. Myanmar has abundant natural resources whilst Singapore has capital and know-how. Singapore has a headstart in the development process and is prepared to share its experience with Myanmar. At the official level we should enhance the framework for cooperation and facilitate the flow of trade, investment, technology and people. Ultimately the process has to be driven by the private sector which is prepared to take risks and overcome obstacles in search of business opportunities.

Our basis of cooperation appears to have worked well. Singapore investments into Myanmar have doubled in one year, from about US\$600 million in 1995 to US\$1200 million in 1996. Singapore is now Myanmar's

second largest investor. Bilateral trade has also grown rapidly to over S\$1300 million in 1996, making Singapore Myanmar's largest trading partner.

As Myanmar has only recently opened its economy to the outside world, it is inevitable that there are potholes along the way to economic growth and stability. Not surprisingly the shortage of hard currency and the tight foreign exchange controls have caused some difficulties among investors who are more used to a mature and open economic environment. Nevertheless Myanmar has much to offer and businessmen are prepared to adapt to the local environment if there is adequate transparency and protection for their investment.

It is in Myanmar's interest to create as attractive and stable an environment for economic development as possible. The competition for foreign direct investment is very intense. Foreign capital and know-how will flow to areas which are most conducive for investment and which offer not necessarily the highest returns but good returns for acceptable risks. With the gradual accumulation of foreign reserves through exports of products and services, attracting foreign investment and tourists, as well as other channels, a basis could be built up for sound economic growth and linkage to the global economy.

Conclusion

At this early stage of Myanmar's development it is vital to get the basics right. It is not easy to open up to the outside world and compete on the global marketplace. Nevertheless Myanmar has many areas of comparative advantage and a good start has been made. On the Singapore side we are happy to have this opportunity to cooperate with Myanmar, to share our

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experience with you, to contribute to your growth and stability and to build a lasting and mutually beneficial partnership.

I look forward to a fruitful and enjoyable meeting this morning with all of you.

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