

SPEECH BY THE PRIME MINISTER AT THE
OFFICIAL OPENING OF THE SEVENTH CON-
FERENCE OF GOVERNORS OF CENTRAL
BANKS OF SOUTH-EAST ASIA IN KUALA
LUMPUR ON 7TH FEBRUARY, 1972

Tan Sri Ismail Ali¹, Distinguished Governors, Ladies and
Gentlemen.

It is with pleasure and pride that I welcome you all, on behalf
of the Government and people of Malaysia to our Capital, Kuala
Lumpur, to attend the Seventh Conference of Governors of
Central Banks in this region.

Indeed, this has been an opportune month for us in Malaysia.
Only four days ago, we had the pleasure of being hosts to the 21st
PATA Conference in the midst of joyous celebrations when this
Capital of ours received the status of a city from His Majesty the
Yang di Pertuan Agong².

I sincerely hope you will enjoy your brief stay here and I am
sure the traditional hospitality of our Central Bank will not be
lacking. In fact, knowing the very meticulous ways of our Gover-
nor, Tan Sri Ismail, I have not the slightest doubt of the superb
arrangements he has in store for all of you.

Gentlemen,

A high level Conference of this nature is, without doubt, of
extreme importance to us individually as a Nation and collectively
as a regional group. The instrument of policy which Central Banks
use to influence the volume of operation of the banking system
differs from country to country. This is not only because of the
differences in the legal powers given to the respective Central
Banks or the differences in tradition but also because of differences
in the intrinsic position of the Banks in their respective countries.

¹ Gabenor Bank Negara Malaysia.

² D.Y.M.M. Tuanku Abdul Halim Muadzam Shah ibni Almarhum Sultan
Badlishah.

In the case of Singapore, Brunei and ourselves, we have the unique arrangement whereby our currencies are convertible at par in all the three territories.

This Conference, therefore, serves as an excellent forum whereby you will be able to exchange views and experiences for the purpose of further streamlining and improving the day-to-day operations.

Distinguished Governors,

In another sense, this Conference is a clear manifestation of our belief in regional co-operation which will help to spur economic development of our Southeast Asian region. I myself have been following with keen interest the activities of the various institutions and the projects undertaken to promote regional co-operation in relation to economic development.

As far as this region of South-east Asia is concerned, you will no doubt agree that the progress in the past has been relatively slow. To a large degree, this has been due to historical reasons but in recent years, there has been increasing efforts to bring about closer regional co-operation. At first, ASA was launched in 1961 and following the Bangkok Declaration in 1966, this has been enlarged into ASEAN. Our countries are associated with the Ministerial Conference for Economic Development of Southeast Asia, a high powered group, which has been meeting regularly. Also, there is SEAMEO—our regional educational body and SEAMEC which has launched and is maintaining several praiseworthy projects. Besides these, various regional projects have been undertaken such as the Southeast Asia Regional Transport Survey and the study of Southeast Asia Economy in the 1970's.

The emphasis on a regional approach is testimony to the simple but profound truth that we in Southeast Asia share common problems, and, I even venture to say, a common destiny. This Conference, among other things, reflects our firm belief that co-ordinated efforts in utilizing our vast resources will provide the key to accelerating economic growth with social justice, thereby seek to relieve ourselves from the existing condition of widespread poverty and mass unemployment. With better educational facilities and the drive towards greater industrialisation, there is today a wave of rising expectations especially among our younger generations and these must somehow be fulfilled.

This in short is the challenge which faces all of us in the decade of the 70's and the 80's. Speaking for my Government, I feel it is our duty to meet this challenge and this can only be achieved by planning a better future for our people and ameliorating the economic imbalances prevailing in our society.

Distinguished Governors,

I am given to understand that your Conference will specifically discuss the economy of this region. In this respect, I believe Central Banks have a vital role to play. Especially in developing countries like ours, Central Banks must have a wide role to play in the economic development. In point of fact, it is expected to make significant contribution in the pursuit of the broad objectives of public economic policy which include maintaining an evenly spread full employment, sustaining a high rate of growth so as to enable fair distribution of income and the nation's wealth among the people.

The precise role, of course, will vary from country to country and, therefore, there is much which we can gain from a cross exchange of ideas and experiences arising out of such Conference.

This is the reason why I am particularly happy and gratified to see that you as leaders of our respective Central Banks have taken this forward-looking step of exchanging views and experiences so that our Central Banks can be more effective as premier financial institutions in our respective countries.

At the same time, this Conference would be a useful forum for discussing international issues so that we together can adopt a common stand and a common approach with one voice. This, I think, is the only way in which our influence can be effective at international forums.

Distinguished Governors,

The importance of your annual Conference and meetings goes far beyond the tangible result we see in the form of common stand and approach adopted on international monetary issues, in joint studies or even joint research and training.

I am very pleased to see that Central Banks in this region have wisely taken the step of pooling resources for greater investment in personnel development. There is much for us to learn from one another especially in our case, since our Bank Negara has only been fourteen years in existence.

The understanding and friendly relations built over the years, which undoubtedly will be further enhanced in the coming years, not only provide a firm foundation but will enable us to embark on more ambitious schemes for regional monetary co-operation and joint efforts in other fields of economic activity.

Distinguished Governors,

Our region of Southeast Asia has vast potentials of both human and national resources. Altogether, we now have a population of 200 million people, which will see substantial increase by the end of this decade.

We are the biggest producers of natural rubber, claiming more than 90% of the world's production. The region is also the largest producer of crude petroleum in Asia, and about 63% of the world's tin output.

In terms of food production, the region is also among the main producers of maize, rice, palm oil and tea; as a whole we produce substantial amounts of other items of foodstuff.

Besides the vast mineral wealth, the forest reserves of the region are one of the world's most important remaining sources of hardwoods, while the rich marine resources have not been fully exploited.

Indeed, the size and range of our resources, apart from the large population and our strategic location, offer us unlimited opportunities for development. We have already made successful progress in changing our role from being producers of primary raw materials for the world's industries through our own efforts of industrialisation.

The question that we still face today is how best we can cooperate in exploiting these resources and utilize them for the betterment of our people. I believe this will be the main focus of attention in your deliberations.

Distinguished Governors,

I am confident that your unceasing efforts will help to bring about closer regional co-operation in the years ahead. As Central Bankers, you all have earned the unchallengeable reputation of perseverance and integrity which is an invaluable asset to us as developing nations. It is firmly in this belief that I am pleased and proud to declare open the Seventh Conference of Governors of Central Banks in Southeast Asia.

I wish you all a successful Conference.