

SPEECH BY Y.A.B. PERDANA MENTERI,
DATO' HUSSEIN ONN, AT THE SECOND
ANNUAL MEETING OF THE BOARD OF
GOVERNORS OF THE ISLAMIC DEVELOPMENT
BANK, AT NIRWANA BALLROOM, KUALA
LUMPUR HILTON, ON WEDNESDAY,
15TH MARCH, 1978 - AT 10.00 A.M.

BISMILLA HIRRAHMA - NIRRAHIM.



Assalamu 'Alaikum Warahmatullahi Wabarakatuh.

Tuan Yang Terutama, Pengerusi dan Ahli-ahli
Lembaga Gabenor Bank Pembangunan Islam.

Tuan Yang Terutama, Yang Di Pertua
Bank Pembangunan Islam.

Tetamu-tetamu Kehormat.

Tuan-tuan dan Puan-puan sekalian.

Dengan nama Allah, yang amat pemurah
lagi amat mengasehani, kita bersyukur kehadiran
Ilahi, kerana dapat berkumpul pada hari ini,
menghadiri Mesyuarat Tahunan Yang Kedua,
Lembaga Gabenor Bank Pembangunan Islam.

Sesungguhnya, majlis ini merupakan satu penghormatan besar kepada saya, kerana saya telah diberi peluang meresmikan Persidangan yang penting ini.

2. Bagi pihak rakyat dan Kerajaan Malaysia, saya mengucapkan selamat datang, kepada Yang Berhormat Menteri-Menteri dan perwakilan-perwakilan yang dihormati sekalian. Saya harap, selama berada di Kuala Lumpur ini, tetamu-tetamu kehormat kita ini, dapat menikmati layanan dan suasana yang baik, supaya lawatan mereka ke Malaysia, boleh membawa kenangan

manis kepada mereka. Sambil kita berkumpul pada hari ini, marilah kita mengingat mereka, yang telah terlibat dalam penubuhan Bank Pembangunan Islam ini. Tidak syak lagi, kita semua terhutang budi, kepada mereka yang telah memelopori hasrat dan cita-cita penubuhan sebuah Bank, yang berasaskan kepada nilai-nilai Islam, dan bergerak ke arah meningkatkan lagi kerjasama ekonomi dikalangan negara-negara Islam.

3. Prestasi Bank Pembangunan Islam sahingga ke hari ini, membuktikan kekukuhan hasrat

dan tekad kita, bagi melaksanakan cita-cita suci ini, serta pandangan jauh mereka yang telah mempelupori cita-cita ini. Almarhum

Al-malik *negara Arab Saudi.*
~~King Faisal~~, bekas Raja ~~Saudi Arabia~~, merupakan

akitek utama kepada projek ini. Almarhumlah yang telah memberikan inspirasi, galakan dan panduan, sehingga tercapainya kemajuan yang tinggi Bank Pembangunan Islam pada hari ini.

4. Kita juga terhutang budi kepada bekas Perdana Menteri kita, Yang Teramat Mulia Tengku Abdul Rahman, yang menjadi Setiausaha Agong pertama Sekretariat Islam, di atas

daya usahanya yang gigih, melahirkan cita-cita suci dan mulia ini, sebagai satu kenyataan.

Tetamu-tetamu yang terhormat.

5. Sebagaimana kita semua maklum, persidangan yang penting ini, diadakan pada ketika keadaan ekonomi dunia merusut, dan kedudukan kewangan antarabangsa yang tidak setabil. Kita tidak pernah mengalami keadaan yang teruk seperti ini, semenjak perang dunia yang kedua. Pemulihan keadaan ekonomi dunia yang buruk ini, tidak dapat ditingkatkan sebagaimana yang kita

harap dan jangkakan, sakalipun terdapat janji-janji dan ikrar-ikrar dari negara maju, bagi meningkat dan mengeratkan kerjasama dan persefahaman kearah pemulehan kedudukan dan keadaan ekonomi antarabangsa. Tetapi sebaliknya, keadaan ekonomi dan kewangan ini- menjadi bertambah merusut dan buruk lagi.

Pendek kata, harapan pemulehan semula ekonomi dan kedudukan kewangan yang setabil, amatlah tipis dan tergantung-gantung.

...4 (English)

Distinguished Brothers.

3. As we are all aware, this meeting is held at a time of international economic and monetary crisis and uncertainty, the magnitude of which, has not been experienced since the Second World War. The economic recovery that was expected and anticipated, has not materialised, inspite of the

*the major industrialised nations,
(commonly referred to as The North)*
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promises and pledges of the for better international economic conduct and cooperation. On the contrary, the international economic and monetary situation has even deteriorated. In short, the prospects for economic recovery and monetary stability, are now under severe strain and in the balance.

4. The so-called "engines for world economic recovery" were unwilling to play their crucial roles, and instead the "locomotive approach" has now been replaced with the "convoy approach". This cosmetic change

does not disguise the reluctance on their part and that of other industrialised nations- to abandon those short-sighted and narrow national policies, which have caused the international economic system to be in its present dismal state. Even during this time of severe international economic problems, these developed economies, appear to indicate by their benign neglect, that they are prepared to allow the situation to deteriorate even further, for as long as they themselves are not directly and adversely affected. Against the present day reality of the economic

interdependence of nations, such an attitude is indeed unfortunate.

5. However, the introverted and narrow economic and monetary policies of the North, do not explain fully the state of the world's economy today. I believe that this unfortunate state of affairs, is principally due to the fact, that the major industrial economies have not come to grips with the reality of a new world that has emerged after the war, and the need to operate the international economic, monetary and trade

systems under new rules. In short, what the world lacks, is a New International Economic Order, that would provide the new rules, based on the principles of interdependence, equity and the dignity of man, to effectively meet the new economic, political changes and realities of our time.

6. We have all been inspired by the leadership and courage that were shown by our oil producing brother members of the Islamic world. I am sure that if the industrial world had in the

first place, a greater sense of vision and statesmanship, the struggle for fair oil prices would not have occurred. Oil prices would have increased more gradually. However, given the total neglect to pay fair prices, and disregard for equity, in the international economic system, oil prices had to be dramatically increased only a few years ago.

7.

If the
industrial countries continue to ignore

.. 10/-

their global responsibilities, many developing countries would, I am sure, find it extremely difficult to contribute towards the concept of international cooperation. Instead, there could well be an increasing trend towards resentment, conflict and even confrontation. As a consequence, the industrial countries might find that the developing world would want to increasingly show its disregard for the interests of the industrial world, and indeed, the wider global economic interests.

8. In the meantime, and until such time, as there is a greater political will on their part, to live up to their responsibilities, we in the developing world, must do our best for ourselves, to ward off and even counter the adverse economic effects on our national economy. The continuing world recession strikes hard at the very heart of our national aspirations because economic progress is even more essential for the maintenance of the political stability and national security of a developing nation.

The Malaysian Government has committed

itself to give its people a better life,

and is, therefore, not prepared to allow

the lack of economic progress to threaten

the country's security and political

stability.

Distinguished Brothers.

9. It is against this background of general structural weaknesses in the world economy, and the inaction of the major economies to rectify them, that we should now consider at this meeting, in what ways the member states of the Islamic Development Bank, can

do to increase our own economic development.

The member states are dispersed geographically, differ in resource endowment, and vary in stages of development. However, this diversity is overcome, by the bond among us in our religion of ALLAH, the Beneficent, the Merciful.

As it has been pointed out recently, in our diversity, we are among the richest producers of agricultural and mineral products, ranging from timber and rubber to petroleum and tin.

We are, therefore, by the will of the Almighty, well endowed to fully utilise these resources

for the common good of our brethren all over the world, according to the holy teachings of ISLAM.

10. At the same time, it is vital that all of us assembled here in Kuala Lumpur, recognise the important role that we in the Islamic world, and particularly the petroleum producers amongst us, can play in contributing towards the solution of our global economic problems. Thus we could resolve to utilize our full resources, human, financial, intellectual and moral

~~to take the lead,~~ to influence the ^{future} ~~direction~~
~~and destiny~~ of the world's ^{economy.} ~~economic future.~~

Distinguished Brothers.

11. Upon our solidarity in our religion, we have united ourselves in an international Islamic Community, and today we are gathered here to witness the beginning of the third year of operation of the Islamic Development Bank. In less than two years from now, we will begin a new era — the decade of the 80's.

..16/-

I hope that in your wise deliberations, the strategy and role of the IDB would be mapped out, to meet the challenges of the 80's, and to contribute positively and fully, to the well-being of developing Islamic countries and communities. It is my honest opinion that it would not be overly ambitious, if the IDB was to enter the 80's, armed with an Islamic World Development Strategy for this coming decade. The IDB's present list of achievements, has demonstrated its capacity for innovation, and proven more than wrong the many sceptics who saw Islam as a religion which hinders progress. At the same time,

there are many more areas where the IDB can play an important role.

12. I am sure that in your deliberations today, these other areas of activity will be accorded your scrupulous attention.

May Allah guide you in your deliberations.

I now have great pleasure in declaring open
~~and it gives me great pleasure now to declare~~

the Second Annual Meeting of the Board of Governors of the Islamic Development Bank.

wabillahi Taufik, walhidayah,

Wassalamu 'Alaikum Warahmatullahi
 Wabarakatuh.



No. Siri 351
No Penerimaan 148/80