

**SPEECH TEXT BY YAB PRIME MINISTER: KHAZANAH
MEGATRENDS FORUM 2024 “PURSUIT OF POTATOES: PAVING
PATHS FROM THE PROBABLE TO THE POSSIBLE”**

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PRIME MINISTER OF MALAYSIA

FOR

KHAZANAH MEGATRENDS FORUM 2024

“PURSUIT OF POTATOES:

PAVING PATHS FROM THE PROBABLE TO THE POSSIBLE”

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MANDARIN ORIENTAL, KUALA LUMPUR

Assalamalaikum warahmatullahi wabarakatuh.

Salam sejahtera.

Yang Berhormat Senator Datuk Seri Amir Hamzah Azizan, Menteri Kewangan II;

Yang Berbahagia Tan Sri Dato' Sri Shamsul Azri bin Abu Bakar, Ketua Setiausaha Negara;

Yang Berbahagia Dato Amirul Feisal Wan Zahir,

Pengarah Urusan Khazanah Nasional;

1. Terima kasih saudara Amirul Feisal dan keluarga Khazanah kerana meneruskan acara yang sangat bermakna, Megatrends Forum 2024 dan saya percaya untuk meneruskan suatu usaha yang memberikan ruang kepada kita berwacana secara bebas dan segar. Saya ucap terima kasih kehadiran Menteri Amir Hamzah dan YBhg. Tan Sri KSN Shamsul Azri dan tetamu-tetamu yang kita muliakan.

Saudara-saudari,

2. Tahun lalu seperti yang dirumuskan oleh Amirul Feisal, saya juga menjelaskan tentang cabaran semasa, kita berdepan dengan era pasca-normal yang dikaitkan dengan ketegangan, kerencaman dan pertembungan chaos, contradictions, complexity dan ini semua berlaku dalam masa yang sama. Oleh yang demikian, mengarah dan menuntut kita mengadakan wacana yang bebas dan menggesa, asak supaya ada pemikiran baru.

Ladies and gentlemen,

3. When I first contemplated the theme of this year's Forum, it stirred some deep reflections for it captures Malaysia's journey over the decades – a journey characterized by trials and triumphs, setbacks and successes. Yet today, the stakes are as high as ever.
4. We now live in a post-normal world defined by chaos. Never have we seen such a convergence of pressures: the climate crisis, rising tide of geopolitical tensions, impacts of macroeconomic headwinds, a network of complexity and uncertainty that demands coordination of the highest order.
5. Malaysia, like many nations, stands at a critical crossroad: to leap forward or be left vulnerable to 'destructive' processes. The answer is crystal clear: Our development pathway must be forward-looking,

and our solutions must serve the wellbeing of the rakyat, addressing inequality, and cultivating a mindset of shared responsibility and innovation.

Ladies and gentlemen,

6. In the great debate between interventionist government and unbridled capitalism, we know that in modern times, the conventional wisdom has been that it is not the business of government to be involved in business. On the contrary, according to this doctrine, government must get out of the way and let the movers and shakers of business and corporate tycoons have absolute free rein to drive the economy forward.
7. But there are exceptions it seems. For example, when it comes to big businesses that are “too big to fail”, then allowance must be made for interventionist policy, especially to bail out failing enterprises such as big banks and insurance companies.
8. To my mind, no matter how you slice it, this approach looks very much like “socialism for the rich and capitalism for the poor” where state policies assure that the rich and powerful get to have the cake, and eat it too, while the poor and marginalised will be left to clean up the plate!

9. This is where Professor Stiglitz and I are on the same page, (I tried to elevate my stance a bit): perhaps we differ only in terminology or the exact wording used. Professor Stiglitz calls it “progressive capitalism” and I call it “humane economy for social justice.”
10. In his latest book *The Road to Freedom*, (no coincidence, I alluded to this fact this morning when I met him, I said the title is diametrically opposite of Hayek’s *The Road to Serfdom*) Professor Stiglitz advocates for more government, not less, including the need for environmental regulations, financial regulations, and other regulations necessary for the proper running of the economy. (Professor, I know these are not your exact words, but as good politicians, we summarise better).
11. According to Professor Stiglitz, in order to achieve a productive economy, the government needs to spend money on physical, technological and social infrastructure – and I absolutely agree.
12. Well, no disrespect for those who have passed on, but certainly the likes of Hayek, Friedman, Reagan, and Thatcher for that matter, would be rolling in their graves.
13. Where “greed is good” is the mantra of unfettered free enterprise; where moral hazard is allowed to encourage reckless behaviour; and where the onslaught of negative externalities is treated as being inevitable – that is, in fact, the road to serfdom. It calls to mind Isaiah

Berlin's famous aphorism that "Total freedom for the wolves means death to the lambs," or words to that effect.

14. At this juncture, it bears recalling John Rawls' abiding question on what principles of justice should prevail in order to attain to a good society, that is, a society that is fair and egalitarian.
15. In my book *The Asian Renaissance*, I said that while the key to sustainable economic growth is productivity, public funds would need to be expended towards the growth of human capital, chiefly through education and health care. Additionally, poverty eradication and the creation of humane living and working conditions must remain paramount. Nevertheless, in as much as I would oppose unbridled capitalism, I have cautioned against unfettered discretion dictated by short term pressures and political expediency.
16. In this regard, rather than playing to the gallery of populist demand, responsible governance warrants that we must sometimes take the bull by the horns. So we had this subsidy rationalisation. Unpopular. Is sweet palatable to the economist, but disaster for politicians. But since we are committed to institutional and economic reform, we have to pursue. Now which happens to be our task and we did it last May when we decided to implement the diesel subsidy rationalisation plan, electricity and after that withdrawing the special assistance for chicken subsidy program. Can you imagine, we subsidise everything and we are most democratic. We subsidise the rich, the poor, foreigners and anybody. That has to stop.

17. Rather than taking the safe course of merely paying lip service while being frozen in action, as previous governments had done, we had to summon firm political courage to take this course of action at the risk of being unpopular. Not too unpopular because we have to survive the next election. Otherwise, we'll be like you know, Churchillian- (referring to Winston Churchill) we all want to be great statesmen, only plan for the next generation. And a good politician is rotten because they only think of the next elections, but you really want to be great statesmen, you lose the next elections. So you have to balance. To be both a statesmen and partly a good politician. So you have to bear with me on that.

18. If we had chosen to play safe and do nothing, knowing that the continued situation would only take us on the road to bankruptcy, then that would be dereliction of the moral duty of good and responsible governance.

19. But did we take this action, including implementing electricity tariff adjustments, and floating prices of certain essentials in order to inflict pain and suffering on the rakyat? Certainly not. On the contrary, while the majority of the people would continue to enjoy the subsidies they deserve to have, the wealthy and the big industries must pay what they ought to. So when I say subsidy rationalisation, it actually did not affect the changes because the subsidy continues for the vast majority of our people, what we call B40 and M40 and probably the lower T20.

20. The billions of ringgit saved are now being channelled back to the people in terms of other subsidies and cash transfers. And that is what we've done and will continue to do, as we proceed boldly on the course of structural reforms.
21. We are committed to governance, accountability and to social justice, that is, ensuring that the benefits of growth are distributed fairly and equitably, and that every Malaysian has the opportunity to prosper. Those tasked with implementing government policies must therefore adhere to the highest standards of responsibility, transparency, and accountability.
22. We will not compromise on our firm, decisive and proactive actions and campaigns against corruption and abuse of power. Structural reforms must also mean the courage of conviction and the fortitude of commitment to take action against the crooks, the unscrupulous profiteers, and the nefarious power abusers without fear or favour.
23. Our measures at structural reforms are already proving to be effective as evidenced by the performance of the ringgit, the phenomenal increase in investments, and the positive trajectory of our economic growth.
24. Therefore, let me take a moment to thank our investment community, both foreign and domestic, for their faith, trust, and confidence in Malaysia's economy, our governance, our rule of law, and our political stability.

25. Let me assure you that we will not rest on our laurels or be complacent or to let our guard down in the face of regional and global challenges.
26. Hence, we are committed to ensuring that Malaysia thrives in this global environment. We are determined to create a pathway to raise incomes, eradicate poverty, and ensure that growth is sustainable, inclusive, and just.
27. We will continue to embrace a spirit of openness – a readiness to adapt, to innovate, and to constantly push the boundaries of what is possible.
28. Our response must be holistic, coordinated, and, above all, focused on the long-term well-being of the nation.
29. The MADANI Economy framework I introduced last year outlines how Malaysia can prepare for an increasingly dynamic and complex global economy.
30. As innovation and technology are prime drivers of growth for the world today, the government is working alongside GLICs to boost VC financing in this area for the next five years. So I think Dato' Amirul Feisal and colleagues will be very supportive in this venture.

31. To deal with climate crisis, environmental degradation and resource depletion, we have the National Energy Transition Roadmap 2030 and the recently launched National Climate Change Policy 2.0 to transform our energy sector, reduce emissions, and ensure that we meet our climate targets.
32. Whereas Malaysia has long been a global player in electronics and electrical (E&E) manufacturing, we must now pivot towards more sustainable technologies and practices, while moving up the semiconductor value chain in the global supply network.
33. As the demand for more advanced chips continues to spike, in tandem with the proliferation of artificial intelligence, EVs, and autonomous driving, as well as in response to a host of geopolitical and geo-economic factors, our National Industrial Master Plan 2030 (NIMP), must be nimble enough to make the necessary adjustments to respond to the vagaries of market forces.
34. As we look ahead to our ASEAN Chairmanship in 2025, in fact, technically next week itself, Malaysia is prepared to lead with a vision of unity, inclusivity, and collaboration. Recent geopolitical divisions threaten the stability of our region, but through shared leadership and a policy of strong neutrality, we can overcome these challenges.
35. And we may go beyond ASEAN – as we explore partnerships with BRICS, which will deepen global South-South relationships. We reiterate the paramount importance of adhering to a rules-based

order, regionally and internationally but we reject the hypocrisy and double standards observed by those when it suits them.

36. Likewise, the world needs a new financial architecture, founded on the principles of equity, fair play and justice for we cannot continue to allow ourselves to be disadvantaged by the anomalies and aberrations of the Bretton Woods system.

Ladies and gentlemen,

37. As we navigate this age of turbulence and contradiction, let us do so with courage, conviction, and a commitment to the greater good.
38. I look forward, of course to follow the deliberations by learned scholars, their views on a new growth and development strategy for developing nations, particularly on how developing countries can 'learn-to-learn' for structural transformation. The importance of a scientific temper within national talent is why I believe technological progress and governance go hand in hand.
39. I am certain that these next few days will fill us with a zeal for innovative change, to work together to transform Malaysia into a beacon of resilience, a leader in innovation, and ultimately, a nation that embodies the spirit of openness, tolerance, and unity.

Terima kasih.

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