

By : **DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK
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Title : **7TH WORLD ISLAMIC ECONOMIC FORUM : GLOBALIZING
GROWTH - CONNECT, COMPETE AND COLLABORATE"**

HE Nursultan Nazarbayev;
President of the Republic of Kazakhstan,

HE Prof. Dr Boediono;
Vice President of Indonesia,

Your Excellencies, Ladies and Gentlemen,

Distinguished Guests.

1. I would like to thank His Excellency President Nursultan Nazarbayev for inviting me to speak with you today and for the warm reception and hospitality extended to me and to members of my delegation by the Kazakhstan Government.

2. In opening the 6th WIEF in Kuala Lumpur last year, I highlighted a number of issues of special interest and concern to the Muslim World. Issues such as Food and Energy Security, Islamic Banking and Finance, Education and the Halal Industry were relevant then and remain so today, and I hope they will continue to be discussed at this year's Forum.

3. But today I would like to focus on an issue of importance to both the Government and the private sector – namely the issue of good governance and, more specifically, Islamic good governance and its impact on the business environment, national and global economic growth and the well being of the ummah. Because it is these principles of good governance that will be central to our efforts to "globalize growth", the theme and focus of this Forum.

Excellencies, ladies and gentlemen,

4. The global economy is expected to grow at 3.3% this year and 3.6% in 2012, according to World Bank projections. But the distribution of global wealth remains inequitable. The average GDP growth for Muslim countries as a whole was only 2.1% in 2009 – a relatively low growth rate that is further compounded by unequal development and inequitable distribution of wealth and income within the Muslim countries themselves. So OIC Muslim countries continue to suffer what is commonly known as the "Triple Income Gap" – a gap not only with the rest of the world but between the nations of the OIC itself and within each member country.

5. It is salutary to note that, in terms of ease of doing business and business regulations, Saudi Arabia, Malaysia, Bahrain and the UAE were the only OIC countries in the top 40 out of 183 economies surveyed by the IFC and the World Bank. The Republic of Kazakhstan was

named as the country that had done the most to improve business regulations last year, with Indonesia and Brunei also highly commended. But the study also showed that where business is transparent and efficient, opportunities are less likely to be based on personal connections or special privileges, meaning more economic activity is likely to take place. And in an open business climate, this activity can of course be made subject to beneficial regulation and also to taxation. ,

6. So the need to globalize growth and sustainable development, generate new economic opportunities, overcome mass unemployment, alleviate entrenched poverty and ensure a fair and equitable distribution of wealth and income remains paramount if we are to create economic justice among our people.

7. But in striving to achieve these goals, we are faced with a range of problems relating to a lack of good governance, including issues around the accountability and transparency that is so vital for economic success.

8. Some developing nations within the OIC have encountered serious challenges, and there are no easy solutions in sight. Countries with huge natural resources that once had great potential to become leading economies with considerable global influence can suddenly see an economic decline with dire consequences to their social fabric. And when this happens it is ultimately the ummah that suffer – and the poor who suffer most of all.

Excellencies, ladies and gentlemen,

9. Good governance is not the only answer to the many and complex challenges we face. But the guiding principles of openness, honesty and transparency are vital if people are to have faith that their government is working for them, not for itself, and that their leaders and politicians are striving to lift the whole economy.

10. Because good governance should come naturally to Muslim nations. After all, it has been in our nature for more than fifteen hundred years, when Ali bin Abi Talib, the fourth Caliph and son-in-law of Prophet Mohammed SAW told Maalik as-Ashtar, the new Governor of Egypt, that "his administration would only succeed if he governs with concern for justice, equity, probity and the prosperity of all", including women.

11. So as Muslim nations we have long known that such attitudes are not merely the preserve of Western liberal democracies. Governing, as Ali ordered, with justice, equity and probity is not about falling in line with Western attitudes, but acting in line with Quranic teaching.

12. But this does not mean that applying Ali's thought to the modern world will not be challenging. In a world characterized by unbridled political influence, unequal competition and opportunities, unlimited greed, inadequate rules and regulations and poor enforcement, good governance is easier said than done. Even the fear of God at times can do little to ensure adherence to the principles of integrity.

Excellencies, ladies and gentlemen,

13. As political leaders and as statesmen, it is up to us to show the resolve, dedication, commitment and political will required to do what is right, to right what is wrong and to prevent corruption and shady deals from becoming the norm in our societies. We should be

prepared to walk the talk and practice what we preach. And governments should have no fear of criticism from the people that they serve.

14. If Governments are to endure and flourish and the interests and expectations of their people – especially the young – are to be met, it is vital that we develop new approaches and new economic models that are appropriate to our respective internal dynamics. .

15. Here I believe the Malaysian Government is try to do its part, embarking on a series of readjustment and transformation initiatives to emphasize the positive influence of good governance on the competitiveness of the country. Numerous initiatives and measures to instil and inculcate good values and ethical conduct, integrity and efforts to combat corruption in all sectors of society have been introduced. The Whistleblower Protection Act, the National Integrity Plan, the introduction of Key Performance Indicators for all civil services, the establishment of the Malaysian Institute of Integrity and a reformed Malaysian anti-Corruption and Human Rights Commission are already making a real difference in everyday life.

16. In order to provide a healthy mechanism of checks and balances, the Government also welcomes comments and views from within its own institutions as well as from religious organizations, minority groups, the media and business.

17. And all these are being pursued in the context of the country's 1Malaysia philosophy of "People First, Performance Now". Thanks to strategies such as the Government Transformation Program the New Economic Model, and the Economic Transformation Program, we have a clear roadmap that will help us achieve our vision of turning Malaysia into a high-income country in a fair and just way that benefits everyone in society. We are aware that we may have a long journey ahead, and that the road may be full of obstacles. But our commitment and determination to strive and succeed will never fade.

Excellencies, ladies and gentlemen,

18. In the final analysis, the responsibility of applying these principles cannot lie simply with governments. We can create the right environment and design the most effective structures, but without the full engagement and participation of the private sector, our efforts can only take us so far. Corporate fraud has become a global issue, and one that calls for close collaboration between the government and the private sector with the support of NGOs and the people as a whole. In the interconnected world in which we live, we must all work together to ensure that transparency, openness and honesty extend beyond national boundaries and abuse of power.

19. The WIEF conference is the ideal forum in which to create the necessary awareness, share experience, and develop new and innovative ideas on how best the principles of good governance can be widely disseminated so as to be appreciated and put into practice by leaders, businesses and the people as a whole. But the good work cannot end with this meeting.

20. The promotion of these principles must become an ongoing process, a journey that doesn't end until good governance truly becomes the mainstream value of all Muslim nations. Only then will we ensure that our economies continue to grow, our people continue to thrive, and our societies continue to become more equitable.

Thank you.