

## OPENING REMARKS FOR 5TH GLOBAL SCIENCE AND INNOVATION ADVISORY COUNCIL (GSIAC) ANNUAL MEETING

By : YAB. DATO' SRI MOHD NAJIB BIN TUN HAJI ABDUL RAZAK, PERDANA  
MENTERI MALAYSIA

Venue : New York

Date : 28/09/2015

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Prof. Zakri Abdul Hamid,

Science Advisor to the Prime Minister and

Joint Secretary of GSIAC

Ms TC Westcott

Executive Vice President and Chief Operating Officer,

New York Academy of Sciences

Ladies and gentlemen,

1. I would like to welcome Council members to the fifth meeting of the Global Science and Innovation Advisory Council (GSIAC).
2. The Advisory Council which was established in 2011, is deemed a crucial added value to the efforts of the Malaysian government to make a quantum jump from a middle income country to a high income economy by 2020.
3. Over the years the Council has been gaining in strength and momentum. Together with the sheer wisdom of its Council members, it was able to provide an enlightening view on

the role of science in charting the growth of our country through various programmes and initiatives.

4. In fact the secretariat has taken the initiative to undertake an assessment on the Council's performance and achievements which we will hear more in this meeting.
5. The road for Malaysia to achieve the status of a fully developed nation will not always be smooth and easy. There are many challenges that are facing us in order to achieve our goal. Even though we are living in an age of great technological innovation, higher income and increased opportunity, we are still at the mercy of often unpredictable global economic factors over which we have no control. The current volatile economic situation being faced by us in Malaysia and the rest of the whole world is a case in point.
6. Expectations by our stakeholders are also higher, which raise the bar on our efforts to provide a better life for all Malaysians as well as for our future generations.
7. Since independence, the Government has constantly been working towards these objectives. Our growth models during that time have had outstanding results, allowing Malaysia to provide for the health and education of its people, almost completely eradicate poverty, build a world-class infrastructure and become a major global exporter.
8. We have achieved all these successes because we have not been averse to evaluate our performance in an open and transparent manner, and to make the changes that prevailing conditions demand.
9. We have always aimed at striking a balance between the capital economy and the people's economy. The Capital Economy refers to economic management and policies from

the macro perspective. This will facilitate a country to set its main targets and benchmarks against other countries. These include economic management based on capital, GDP growth, per capita income, private investment, capital market, corporate profits, sovereign and credit ratings, Bursa index and share value.

10. When we refer to the people's economy, it is an economy that is people-orientated, covering priorities and interests of the people such as cost of living, household income, educational opportunities, employment and business, quality of life, skills training, entrepreneurship as well as security and safety. In brief, it refers to an economy based on the daily lives of the people.
11. It is a fact that from the theoretical perspective, the capital economy and the people's economy cannot be separated and they exist in a symbiotic relationship.
12. The nation's well-being and the welfare of the people have always been my foremost concern and priority. Despite ongoing challenges, I am confident that we are on track to achieve our goal of becoming a high income nation by 2020. What we must do is to always be prepared for changing conditions and external shocks that are beyond our control. We must maintain our forward momentum.
13. This May, the government tabled the Eleventh Malaysia Plan, charting the nation's course for the period 2016 to 2020. The theme of this plan is "Anchoring Growth on People".
14. In line with this, we incorporated Six Strategic Thrusts in its implementation, namely: Inclusivity; Wellbeing of the Rakyat; Human Capital; Green Growth; Infrastructure; and Innovation and Productivity. And we allocated a development expenditure ceiling of USD 65 billion (RM260 billion) over the five-year plan.

15. We are now experiencing a phase of modest growth in the global economy, in an environment that is characterized by heightened uncertainty and volatile financial markets as well as the sharp fall in the price of petroleum and other primary commodities.
16. Nevertheless, I must emphasize here that the fundamentals of the Malaysian economy remain strong. It has withstood these challenging times, supported by our strong initial conditions and early and comprehensive policy responses. There are five (5) indicators that show Malaysia's economy is on the right track.
17. Firstly, the economy grew at a rate of six per cent and this year it is expected to achieve five per cent. Unlike in 1998, during the Asian economic crisis, when the economy contracted by negative seven per cent.
18. Second indicator was that the economic fundamentals were stronger today because Malaysia had learnt from the effects of the 1998 crisis. An example is that the government's fiscal deficit reduced from negative 6.7 per cent in 2009 to 3.2 per cent this year. Hence, the banking and financial system continues to have strong capitalization and ample liquidity. The rate of non-performing loans and inflation are low and manageable.
19. The third indicator was the success of national policies, particularly through the National Transformation Policy, that had led to a decline in the poverty rate, from 49.3 per cent in 1970 to just 0.6 per cent in 2014. The Gross Domestic Product increased by 47.7 per cent from 2009 to 2014, while as many as 1.8 million jobs have been created since the launch of the Economic Transformation Programme in 2010.
20. The fourth indicator was that Malaysia is still recognized in the eyes of the world because it was able to effectively manage the economy well in the face of many challenges. This is proven by the ratings and reports of the international financial agencies

such as Fitch Ratings, Moody's, Standard & Poor's as well as the actual picture of the economic situation and the current economic management.

21. The fifth indicator was that Malaysia had also ranked 12<sup>th</sup> out of 60 countries in the World Competitiveness Yearbook 2014.

22. Before we begin, I would like to acknowledge the memory of one of the architects of GSIAC, the late Tan Sri Dr. Jamaluddin Jarjis, who left us all too soon, and very suddenly, last April. Let's take a moment to remember the late Tan Sri Dr. Jamaluddin Jarjis.

[PLAY VIDEO]

23. JJ's demise was a personal loss to me, as he was a very dear friend and someone who has done much for the nation. When he was our Ambassador in Washington, he played a vital role in building relations with the United States. He contributed substantially to the creation and subsequent growth of the GSIAC and we are here today continuing the work that JJ helped initiate. I am sure he will be proud of what we have accomplished and the work we will continue to do today

24. I welcome all Council members to provide feedbacks and comments on all the papers that will be presented. Without further ado, I call upon the Secretariat to continue with the matters on the agenda.

Thank you.

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