

**SPEECH BY**  
**YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI**  
**AT THE BRITISH-MALAYSIA CHAMBER OF COMMERCE (BMCC) LUNCHEON**  
**TALK, AT PALACE OF THE GOLDEN HORSES**  
**3 SEPTEMBER 2001**

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Terlebih dahulu, saya ingin mengucapkan terima kasih kepada pihak British-Malaysia Chamber of Commerce (BMCC) kerana telah sudi menjemput saya untuk makan tengahari bersama tuan-tuan dan puan-puan, serta untuk menyampaikan sepatah dua kata di majlis ini. Saya juga ingin mengucapkan syabas dan tahniah kepada BMCC kerana begitu aktif dalam mempereratkan hubungan antara pemimpin-pemimpin perniagaan dari kedua-dua buah negara, seterusnya mempertingkatkan hubungan dua hala antara Malaysia dan United Kingdom. Saya percaya usaha-usaha seperti ini amat bermakna dan harus diteruskan.

2. It may surprise you to know that I have been given a free hand to speak on any topic today. This may seem to be a risky strategy for the organisers, as politicians are not known for being short or, indeed, to the point - some would say that politicians prefer to dull their listeners into submission with long lectures on subjects they know little on.

3. However, I hope that when I am done, you will not think that of me today. As those in BMCC are old friends and long-term investors, I will touch upon two issues today: firstly, the sound relationship between Malaysia and the United Kingdom thus far; and secondly, Malaysia's policies in the years ahead, to give you a feel about Malaysia's development plans going forward. I daresay I know rather more than a little on these two subjects, thus giving me the chance to truly earn both my keep and the sumptuous lunch served just now.

4. Bilateral relations between Malaysia and the United Kingdom have been warm and cordial, and are certainly on a firm footing. The relations have been advanced by the exchange of high-level visits by the leaders of our two countries. In fact, YAB Dato' Seri Dr. Mahathir Mohamad is scheduled to meet with Prime Minister Tony Blair in less than two weeks, on 12 September, to forge closer cooperation and better understanding between our two countries. Besides previous successful meetings, our Prime Minister has extended an invitation to Prime Minister Tony Blair to visit Malaysia, and we are hopeful that the honourable Mr. Blair will accept this invitation in the near future. Certainly, these high-level visits provide great impetus to the Malaysia-United Kingdom relationship, as has been the case for many, many years. Indeed, we can see this strong relationship borne in our two countries' collaboration in many fields, including trade and investment, education, tourism and defence.

5. It is pleasing to note that trade between Malaysia and the United Kingdom has been on the upswing since the recovery of the Malaysian economy. Total trade for the year 2000 amounted to about RM 17.7 billion, and I am confident that this will increase in the years to come. Meanwhile, the United Kingdom is also Malaysia's fifth largest investor in many business ventures here. By way of example, 17 manufacturing projects involving UK investors, worth nearly RM 750 million were approved last year, up from 13 projects in 1999. In the first six months of 2001 alone, 11 such manufacturing projects were approved, reflecting UK investors' continued confidence in Malaysia's economy.

6. However, more than trade, Malaysia and the United Kingdom enjoy strong people-to-people contact through education and tourism. The United Kingdom has always been a popular destination for Malaysian students, and although there are fewer Malaysians now than before the recent financial crisis, there are still 7,000 to 8,000 Malaysians currently studying in the UK. Malaysia welcomes the opportunities given to Malaysians to pursue higher education in Britain. The assistance in the area of education and human resource development has contributed significantly to Malaysia's growth and development. This educational cooperation is set to continue, as the opening of UK university branch campuses, such as the University of Nottingham in Malaysia, allows Malaysians and others in the region to obtain quality education not far away from home.

7. In the meantime, Malaysia received nearly 240,000 tourist arrivals from the UK in the year 2000, up by 74 percent from 1999. Despite the depreciation in the Ringgit, Malaysians continue to travel to Great Britain for business and leisure. We will continue to promote Malaysia in the UK, and we look forward to receiving many more tourists from Britain to enjoy the sights and sounds of Malaysia, thereby promoting goodwill and understanding between citizens of our two countries.

8. In the area of defence and security, we hope that the close cooperation between Malaysia and the United Kingdom will continue to strengthen, both in terms of bilateral as well as multilateral activities. In particular, Malaysia believes collaboration within the ambit of the Five Powers Defence Arrangement (FPDA) can be further reinforced.

9. In all, Malaysia and the United Kingdom enjoy a strong and beneficial relationship, one that looks set to progress even more in the coming years, thus further cementing the friendship between our two countries.

10. I believe that as we cast our eyes to the future, so must we examine the past. Hence, as we look to Malaysia's years ahead, we should never forget how we got here in the first place. Three days ago, Malaysia celebrated the 44th anniversary of her independence. Looking back, the early days were indeed very difficult for us. Malaysia, or Malaya as she was known then, was never given much of a chance to succeed. Our economy was weak and vulnerable. Our people were poor, with a per capita GDP of less than US\$ 250. We were primarily dependent on two commodities for trade - rubber and tin. Our population was growing by 3.5 percent per annum, yet our economic growth was nowhere near that. And to top it all off, we were a new democracy, with quite pronounced differences in the makeup of our people, aggravated by chronically wide income and education gaps.

11. To say that we have come a long way since 1957 seems very much like an understatement. Malaysia is now a leading country in the developing world. Our per capita income last year was nearly RM 13,000 or about US\$ 3,400, or in PPP terms, US\$ 8,200. Malaysia is now a trading nation, with the value of her merchandise trade about twice that of her GDP. Her economy is primarily based on manufacturing, with about 90 percent of exports being manufactured goods. Although the population growth rate is still about the same, the economic growth rate has been strong - for example, between 1966 and 1997, the average annual growth rate was 7 percent per annum. And finally, it should surprise no one that we are still very much a democracy, with ten free elections since the first post-independence election of 1959. Ethnic differences exist in our country, but we still live in harmony and are able to celebrate the diversity of our people. On the whole, we are happy, secure and

stable.

12. Malaysia has not attained this by accident. Our success was achieved on the back of strong leadership and foresight, and through the blood, sweat and tears of all Malaysians. We have worked hard to be where we are today, but we are now facing even greater challenges. We have charted the way forward for our country - to be a developed nation, holistically and in our own mould, in about 19 years - that is, to achieve Vision 2020.

13. The National Vision Policy (NVP) is the overriding policy for Malaysia at the start of this new century. The NVP incorporates key strategies of the previous New Economic Policy (NEP), namely eradicating poverty irrespective of race, and the restructuring of society, as well as elements of the National Development Policy (NDP), which emphasised balanced development. The key thrust of the National Vision Policy is to transform Malaysia into a competitive and knowledge-based economy, while fostering unity and patriotism, as well as strengthening equity and sustainable growth.

14. Malaysia's plans for the years 2001 to 2010 are contained in the Third Outline Perspective Plan (OPP3). The OPP3 is then broken down into the Eighth Malaysia Plan of 2001-2005, and the Ninth Malaysia Plan of 2006-2010. The Eighth Malaysia Plan outlines ten strategies for the achievement of three strategic thrusts, that is: one, to shift the growth strategy from input-driven towards knowledge-driven; two, to accelerate the structural transformation of the economy; and three, to strengthen the socio-economic stability of our nation.

15. Clearly, we have drawn up an ambitious plan for Malaysia in the years ahead. These policies will cascade to every part of Malaysia and will be put into action accordingly. You can already see some of these plans in tangible form, such as our plans for information and communications technology, including the Multimedia Super Corridor (MSC); our plans to address social issues, including the National Social Action Plan; our plans to restructure society, including the targeted poverty eradication programme and the promotion of the Bumiputera Commercial and Industrial Community (BCIC); and our plans for educational excellence, including continued high allocation for education (more than 15 percent of government development expenditure) and the recent meritocracy principle for public universities.

16. I have tried to sketch out for you, at the highest level, Malaysia's plans for the medium and long term. Perhaps you have many questions as to the details, but suffice to say that Malaysia will need to transform herself yet again now, just as she has accomplished, by moving from agriculture-based to industrial-based in one generation. Malaysia now faces the biggest test of all, to shift her economy from production-based, to one that is knowledge-based, without surrendering her peace, harmony or strong values.

17. I hope you will join us in our journey towards Vision 2020. As always, Malaysia welcomes British and other foreign investors to invest here, particularly in the high-technology and knowledge-intensive sectors such as the Multimedia Super Corridor (MSC). We have taken, and will continue to take, the necessary measures to make it easy for you to maintain or upgrade your investment. We have addressed many investor concerns. For instance, government bureaucracy and red tape are constantly being reviewed, in order to simplify and speed processes up; government

policies will continue to be clearly spelt out; corporate governance in Malaysia has been strengthened, including the reference to the Malaysian code on corporate governance in the rules of the Kuala Lumpur Stock Exchange (KLSE); there is strong commitment to restructure companies and resolve corporate debts; the financial sector has been fortified; and we will always ensure that there is adequate infrastructure here. With all these reasons and more, I am confident that Malaysia will be a good home for your investments.

18. As an end note, I would like to take this opportunity to wish the current United Kingdom High Commissioner to Malaysia, His Excellency Graham Fry, the very best in his new appointment as the Deputy Undersecretary at the Foreign and Commonwealth Office of Great Britain. We feel a little sad that His Excellency will be leaving Malaysia, as His Excellency has played a significant role in improving the bilateral ties between our two countries. I am sure His Excellency will enjoy the new posting, and we are hopeful that His Excellency will continue to endeavour to enhance Malaysia-United Kingdom relations when he returns to Britain.

Thank you.