

**SPEECH BY
YAB DATO' SERI ABDULLAH HAJI AHMAD BADAWI
AT THE OFFICIAL OPENING OF EAST ASIA BUSINESS
EXHIBITION (EABEX'05) AT KLCC, KUALA LUMPUR
10 DECEMBER 2005**

EXCELLENCIES,
DISTINGUISHED BUSINESS LEADERS,
LADIES AND GENTLEMEN.

THE EAST ASIA BUSINESS EXHIBITION OR EABEX'05, ORGANIZED IN CONJUNCTION WITH THE 11TH ASEAN SUMMIT AND THE INAUGURAL EAST ASIA SUMMIT, IS INDEED TIMELY. THIS IS BECAUSE THERE IS NOW GROWING BUSINESS INTERESTS AND ECONOMIC LINKAGES AMONG PARTICIPATING COUNTRIES. I AM GLAD TO NOTE THAT THIS EXHIBITION IS ALSO DRAWING BUSINESS VISITORS FROM OTHER REGIONS, INCLUDING WEST ASIA, AFRICA AND EUROPE.

2. THE THEME OF THIS EXHIBITION, WHICH IS "FORGING EAST ASIAN BUSINESS SYNERGIES" IS CONSISTENT WITH THE DESIRE OF THE COUNTRIES OF THE REGION TO ESTABLISH CLOSER ECONOMIC AND BUSINESS RELATIONSHIPS WITHIN THE REGION. WE MUST TAKE ADVANTAGE OF THE COLLECTIVE STRENGTHS OF OUR RESPECTIVE ECONOMIES TO CREATE REGIONAL WEALTH AND DEVELOPMENT. INDEED, THERE IS SUBSTANTIAL BUSINESS POTENTIAL IN EAST ASIA THAT CAN BE TAPPED BY THE BUSINESS COMMUNITY FROM WITHIN AND OUTSIDE THE REGION.

3. I AM CONFIDENT THAT THIS EVENT WILL CONTRIBUTE TOWARDS STRENGTHENING INTRA-REGIONAL NETWORKING. IT WILL ALSO CATALYZE THE DYNAMISM OF BUSINESS LINKAGES WITH THE REST OF THE WORLD.

LADIES AND GENTLEMEN,

4. IN A GLOBALIZING WORLD, IT IS IMPORTANT THAT FOCUS BE GIVEN TO THE ESTABLISHMENT OF AN ENABLING AND BUSINESS-FRIENDLY TRADE AND BUSINESS ENVIRONMENT. GOVERNMENTS MUST CONTINUE TO INITIATE, ORGANIZE AND LAUNCH VARIOUS COOPERATION INITIATIVES EITHER ON A REGIONAL BASIS OR BILATERAL BASIS IN ORDER TO CREATE SUCH AN ENVIRONMENT. WE MUST FACILITATE THE PRIVATE SECTOR TO CONDUCT BUSINESS.

5. WHEN WE SPEAK OF REGIONAL OR BILATERAL TRADE, THE MAIN FOCUS HAVE ALWAYS BEEN THE REDUCTION AND REMOVAL OF TARIFFS AND OTHER BARRIERS TO TRADE. WHILE THESE ARE IMPORTANT, WE MUST RECOGNIZE THAT

COOPERATION WHICH ENCOMPASSES OTHER ASPECTS SUCH AS TRADE FACILITATION MEASURES, MUTUAL RECOGNITION ARRANGEMENTS, CAPACITY BUILDING AND KNOWLEDGE SHARING, WILL ALSO GO A LONG WAY TO EXPAND TRADE AND BUSINESS IN THE REGION.

6. THE BUSINESS SECTOR MUST POSSESS THE CAPACITY TO IDENTIFY NEW OPPORTUNITIES CREATED BY GLOBALIZATION AND TRADE LIBERALIZATION. THE INTEGRATION OF EAST ASIAN S.M.ES INTO REGIONAL PRODUCTION NETWORKS, IS AN EXAMPLE OF NEW OPPORTUNITIES THAT EXISTS. IT IS NOW FASHIONABLE TO CARRY OUT DIFFERENT SUB-PROCESSES IN DIFFERENT COUNTRIES OF THE REGION. THIS HAS BEEN MADE POSSIBLE BY THE COMPLEMENTARITIES OF INDUSTRIES AT THE REGIONAL LEVEL.

7. IT IS A FACT THAT INDUSTRIES IN THE MANUFACTURING SECTOR OF THE REGION ARE ALREADY SOURCING FROM ONE ANOTHER. IN FACT, MANY STRONG LINKAGES HAVE BEEN ESTABLISHED. THE ELECTRICAL AND ELECTRONIC SUB-SECTOR IS A GOOD ILLUSTRATION OF THIS. THUS, MANY OF THE EAST ASIAN COUNTRIES HAVE BECOME MAJOR EXPORTERS AND IMPORTERS OF THESE PRODUCTS BETWEEN THEMSELVES.

8. S.M.ES SHOULD BE ABLE TO RECOGNIZE THIS TREND, AND CAPITALIZE ON THE STRENGTH OF THIS COMPLEMENTARITY TO BE PART OF THE SUPPLY CHAIN. THEY SHOULD ACTIVELY SEEK OPPORTUNITIES TO PRODUCE, TRADE, AND DISTRIBUTE FINISHED PRODUCTS AND COMPONENTS. THIS CAN BE THE FOUNDATION FOR FURTHER INTEGRATION OF INDUSTRIES IN THE REGION.

9. WE SHOULD ALSO TAKE NOTE THAT INTRA-REGIONAL TRADE AND LINKAGES IN SERVICES SUCH AS TOURISM, EDUCATION, HEALTHCARE, CONSTRUCTION, I.C.T AS WELL AS PROFESSIONAL SERVICES ARE ALSO ON THE RISE. THERE ARE DEFINITELY MANY OTHER OPPORTUNITIES FOR FURTHER COLLABORATION IN THE SERVICES SECTOR AMONG THE BUSINESS COMMUNITY WITHIN THE REGION.

10. ASIA IS INCREASINGLY BECOMING A PREFERRED PARTNER FOR VARIOUS TERMS OF OUTSOURCING. THIS IS THE RESULT OF THE EXISTENCE OF CERTAIN ADVANTAGES INDIGENOUS TO THE REGION. THESE INCLUDE THE COMBINATION OF COMPETITIVE COSTS, AN ENGLISH-SPEAKING LABOUR FORCE, WELL-DEVELOPED INFRASTRUCTURE, AND STRONG GOVERNMENT SUPPORT PROGRAMMES.

11. REGIONAL COMPANIES SHOULD EMULATE THE SUCCESSFUL PRACTICE OF GLOBAL CORPORATIONS WHICH HAVE OUTSOURCED NON-CORE PROCESSES TO OTHER SUPPLIERS WITHIN THE REGION. THEY ARE THUS FREED TO COMMIT THEIR RESOURCES TO THEIR CORE COMPETENCIES, AND THUS INCREASE THEIR COMPETITIVENESS. COMPANIES IN THE REGION MUST LEVERAGE ON THE ADVANTAGES THAT THEY POSSESS. STRATEGIC PARTNERSHIPS SHOULD BE FORMED. THIS CAN LEAD TO FURTHER EXPANSION IN ECONOMIC AND BUSINESS SYNERGIES WITHIN THE REGION.

LADIES AND GENTLEMEN,

12. IN 2004, ASEAN TOGETHER WITH THE PLUS-THREE-PLUS THREE COUNTRIES PARTICIPATING IN THE EAST ASIA SUMMIT AND AT THIS EXHIBITION ACCOUNTED FOR 22.7 PER CENT OF WORLD MERCHANDISE TRADE. THIS IS NO SMALL ACHIEVEMENT BECAUSE IT REPRESENTS 24.2 PER CENT OF WORLD EXPORTS AND 21.2 PER CENT OF WORLD IMPORTS. THESE SAME 16 COUNTRIES ALSO ACCOUNTED FOR 22.6 PER CENT OF THE WORLD'S G.D.P IN 2004, AMOUNTING TO US\$9.2 TRILLION. BASED ON W.T.O DATA, 5 OUT OF THE TOP 20 GLOBAL TRADING NATIONS FOR MERCHANDISE TRADE IN 2004, WERE FROM THESE 16 COUNTRIES. SIMILARLY, FOR TRADE IN COMMERCIAL SERVICES, FIVE OF THE SIXTEEN COUNTRIES WERE WITHIN THE TOP TWENTY.

13. INDEED, THE SIXTEEN PARTICIPATING COUNTRIES ARE INCREASINGLY BECOMING MORE AND MORE INTEGRATED, THROUGH TRADE. IT IS NOTABLE THAT INTRA-REGIONAL TRADE FOR THESE COUNTRIES HAS BEEN GROWING FASTER THAN THEIR TRADE WITH OTHER REGIONS.

14. IT IS ALSO NOTEWORTHY THAT COMPANIES IN EAST ASIA HAVE BEEN VENTURING TO INVEST IN OTHER MARKETS. INDEED, EAST ASIAN ECONOMIES CONSTITUTE ONE OF THE MAJOR SOURCES OF F.D.Is WORLDWIDE, WITH OUTFLOWS GROWING FROM US\$42 BILLION IN 2001 TO US\$68 BILLION IN 2004.

LADIES AND GENTLEMEN,

15. THE PROMINENCE OF THE EAST ASIAN BUSINESS COMMUNITY AND CORPORATIONS HAS NOW BEEN RECOGNIZED WORLDWIDE. A NUMBER OF EAST ASIAN CORPORATIONS HAVE SINCE RISEN TO JOIN THE RANKS OF THE TOP 100 GLOBAL COMPANIES. THIS IS THE MEASURE OF THE EAST ASIAN CONTRIBUTION TO THE EXPANSION OF THE WORLD ECONOMY. WORKING TOGETHER WITH THE PUBLIC SECTOR, THE BUSINESS COMMUNITIES CAN TAKE COLLABORATIVE EFFORTS TO FURTHER REALIZE THE OPPORTUNITIES THAT PREVAIL.

16. I WOULD LIKE TO URGE THE BUSINESS COMMUNITY IN THE REGION TO COMPLEMENT GOVERNMENT INITIATIVES TO ENHANCE BUSINESS LINKAGES WITHIN THE REGION. TRADE AND INDUSTRY ASSOCIATIONS IN THE REGION SHOULD WORK TO FURTHER ENHANCE THEIR NETWORKING. THIS CAN BE FACILITATED THROUGH MORE FREQUENT EXCHANGES OF TRADE AND INVESTMENT DELEGATIONS.

17. SUCH VISITS, DEDICATED TO THE PROMOTION OF TRADE AND INVESTMENT, WILL CONTRIBUTE TO BETTER UNDERSTANDING OF THE BUSINESS ENVIRONMENT AND MORE FREQUENT SHARING OF VIEWS AND INFORMATION. THEY WILL SERVE TO ENHANCE AWARENESS AND FACILITATE CLOSER BUSINESS COOPERATION. IN

ADDITION, THIS CAN ALSO FACILITATE DISCUSSIONS ON COMMON ISSUES OF INTERESTS, AND PROVIDE FEEDBACK TO GOVERNMENTS. THE OBJECTIVE IS TO FURTHER IMPROVE TRADE AND INVESTMENTS CROSS FLOWS.

18. BUSINESS COLLABORATIONS AND TOGETHERNESS IN ADDRESSING GLOBAL ISSUES SHOULD INDEED BE ENHANCED, NOT ONLY AMONG THE GOVERNMENTS OF THE SIXTEEN COUNTRIES PARTICIPATING IN THIS EXHIBITION BUT ALSO AMONG THE BUSINESS COMMUNITIES. EVENTS SUCH AS EABEX'05 PROVIDE AVENUES FOR IMPROVING BUSINESS LINKAGES SPECIFICALLY AND CONTRIBUTE TO THE REGIONAL ECONOMIC DYNAMISM GENERALLY.

19. ON THAT NOTE, I NOW HAVE THE PLEASURE OF DECLARING OPEN THE EAST ASIA BUSINESS EXHIBITION OR EABEX'05.

THANK YOU.