

**KEYNOTE ADDRESS BY THE PRESIDENT OF UMNO  
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI  
AT THE UMNO 58TH GENERAL ASSEMBLY  
AT PUSAT DAGANGAN DUNIA PUTRA (PWTC), KUALA LUMPUR  
7 NOVEMBER 2007**

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"STRENGTHENING CONFIDENCE – VENTURING INTO A NEW ERA"

Alhamdulillah, with God's will, we are convene for the 58th UMNO General Assembly.

2. Our assembly this year takes place in the glow of the 50th Merdeka celebrations. This is also our first assembly for the next 50 years. Beginning the first national elections, UMNO, as part of the Alliance and subsequently Barisan Nasional, has formed the national government based on the principle of power sharing. It also spearheaded the drive towards independence.

3. The Malayan Government, considered to be lacking in experience, faced myriad challenges. Twelve years after independence, the nation was riven by racial riots that threatened its survival. Thanks to mutual understanding and a strong spirit of cooperation, we overcame this test. That dark time in our history became a valuable lesson that taught us the need to strengthen our unity.

4. In the aftermath of this tragedy, the Government introduced three major measures. First, the Rukun Negara was introduced as a national ideology to ensure national unity and safeguard the integrity of the nation. Second, the New Economic Policy was designed to develop our economy based on fair and equitable growth. Finally, the Barisan Nasional was introduced as an effective and inclusive political vehicle. The implementation of these three measures has brought success, guaranteed our survival and brought us the prosperity that we enjoy to this day.

5. Today, Barisan Nasional enjoys the support of the majority of Malaysians. We have formed the government continuously for 52 years. This achievement is testament to the party's wise leadership and its committed membership. It is also the result of the cooperation we have formed with non-Malay communities, on the basis of power sharing and mutual understanding – an action plan that is realistic and pragmatic, giving priority to nation building and the welfare of the people.

#### ACHIEVEMENT OVER 50 YEARS

6. UMNO has done more than merely lead the government for 52 years. It has succeeded in building Malaysia into one of the most successful nations in the world, with an average growth rate of 6.3 percent per annum over fifty years. When we gained our independence, we ranked among the poorest countries in the world. Now, we are classified as a high human development index nation. Our nominal per capita income is RM20,900 – a 26 fold increase from the time of Merdeka.

7. The Government's policy of encouraging private sector growth has resulted in total trade exceeding RM1 trillion for the first time earlier this year. We have recorded a positive balance of payments for 109 consecutive months. Our foreign reserves are now USD98.2 billion. Stock market activity is active and the Kuala Lumpur Composite Index has reached historic heights, touching 1413 points. Malaysia is recognized by the World Economic Forum as the fifth most competitive country in Asia.

8. These achievements are the result of our willingness to work hard. With the commitment of party members and the solid backing of the people, with the understanding of the public sector and in partnership with the private sector, I am confident that our competitiveness and productivity will continue to improve.

#### STRENGTHENING ISLAM

9. UMNO is committed to strengthening Islam and will not apologise for doing so. Islam promotes moderation. During the General Assembly in 2004, I laid out the ten principles of Islam Hadhari, an approach that was understood and supported by the component parties of Barisan Nasional. This proved that the approach to Islam as promoted by UMNO is fair.

10. Calls to return to the spirit of the Federal Constitution should be viewed in a positive light, interpreted with wisdom and without prejudice. The Constitution must be viewed as a whole, and selected clauses cannot be interpreted in isolation or out of context. The Constitution provides that Islam the official religion of the Federation but there is freedom to practice other religions.

11. Guided by the spirit of the Constitution, Malaysians of different religions must exercise mutual respect. Islam exhorts Muslims to respect the followers of other religions as stated in verse 108 of surah Al-An' aam:

And do not revile those (beings) whom they invoke instead of God, lest they revile God out of spite, and in ignorance.

(al – An'aam:108)

12. It must be stressed that every action will cause a reaction. The disrespect and extremism shown by one party will elicit a similar response from another party. Violence by one side will breed violence from the other. Therefore, if we want our religion to be respected and understood, let us, in UMNO, show exemplary behaviour by respecting the followers of other religions and their needs.

13. We give assurance that UMNO will not endorse a narrow interpretation of Islam. UMNO opposes the culture of violence, we oppose a political culture that can disrupt the daily lives and commercial affairs of the ummah. Islam must not be downsized to fit the needs of a political organisation. Islam cannot become the exclusive domain of any single group.

14. UMNO believes that Islam will not grow, nor will it be respected if it is confined to rituals. If we fight for Islam, armed only with slogans and rhetoric, we will not achieve excellence. Indeed, the application of Islam through the prism of shallow minds and narrow interpretations can cause discomfort not only among non-Muslims, but among Muslims themselves. Overzealous enforcement can give Islam a negative image. Failure to understand the needs of adherents of other religions and denying them their rights runs counter to the spirit of the Federal Constitution.

As for such (of the unbelievers) as do not fight against you on account of (your) faith, and neither drive you forth from your homelands, God does not forbid you to show them kindness and to behave towards them with full equity: for verily, God loves those who act equitably.

(al-Mumtahanah: 8)

15. Islam must be explained to its followers, but also to non-Muslims. Islam must be identified as a religion that dispenses justice, prohibits inequity and rejects violence. There is nothing wrong with Islam, the error lies in the misguided actions by those who fail to interpret Islam and those who fail to practice it with open minds and rational thought. Muslims should concentrate on building on what makes Islam attractive. The Government's stand is that Islam will be respected if it develops intellectual excellence, emphasises the pursuit of knowledge and concentrates on attaining economic success.

16. We have received international acknowledgement for our success in developing the Islamic financial system and in building a Halal hub, and these efforts are no less important than our individual obligations, our fardu ain. These efforts illustrate that Islam is contemporary and relevant in the modern economy. In fact, research in economy, science and technology are encouraged. We should give priority to these pursuits, instead of wasting time on polemics and rhetoric about rituals. Islam and the Ummah will be developed more quickly when Muslims can show excellence in the economy, science and technology.

17. Malaysia has continued to take great strides to become a premier global Islamic centre. In the Islamic Capital Markets, Malaysia accounts for two thirds of the world's Islamic bonds, amounting to USD47 billion. In line with the Malaysian International Islamic Finance Centre (MIFC) initiative, Malaysia has liberalised the Islamic finance sector to encourage the participation of foreign institutions in banking, capital markets and takaful. In addition, we have taken a leadership role in establishing institutions such as the Islamic Financial Services Board and the International Centre for Education in Islamic Finance (INCEIF). The IFSB, which has a membership of 125 countries, works to coordinate regulations and standards internationally, whereas INCEIF is a university-level institution that develops human capital to meet the needs of the Islamic finance sector.

18. Malaysia is also committed to becoming a world class halal hub. The Government has been active in promoting the products and services of Halal Malaysia while strengthening its Halal certification. Our commitment is shown through the establishment of the Halal Industry Development Corporation to spearhead and coordinate a variety of initiatives. Malaysians, particularly Muslims should not forgo opportunities in the halal industry, which can potentially yield substantial returns. The size of the global halal market is RM2 trillion and there are more than 1.8 billion Muslims in the world. In addition, it is a communal obligation, a fardu kifayah for us to raise the status and increase the usage of halal products and services.

#### GOVERNMENT LINKED COMPANIES

19. In order for Government Linked Companies (GLCs) to achieve their objectives, the Government introduced a GLC Transformation Programme on 14 May 2004. Their consequent success has been tremendous. The market capitalisation of the top 20 GLCs has increased by 74 percent to RM253 billion and has had a significant positive impact on the performance of the performance of Bursa Malaysia. The companies involved have shown tangible improvements in their financial results and the restructuring of their operations. Some have strengthened themselves through acquisitive growth, some have successfully ventured overseas. The gains made by GLCs have bolstered investor confidence domestically and internationally.

20. The improved performance of GLCs benefits many people. Funds such as the Employee Provident Fund, Lembaga Tabung Haji and Permodalan Nasional Berhad, that all hold substantial shareholdings in many GLCs have received increased returns, which are distributed to deposit holders and investors in the form of dividends and bonuses. To illustrate, since the transformation process began, dividends declared by Lembaga Tabung Haji have risen from 4.3 percent in 2003 to 4.75 percent last year. Similarly, EPF have declared higher dividend rates – from 4.75% in 2004 to 5.15% in 2006.

21. As corporations with ties to government, GLCs must understand national aspirations. GLCs must jointly shoulder the responsibility of developing a Bumiputera Commercial and Industrial Community, creating a vendor system and creating effective partnerships with Bumiputera enterprises. There is no conflict between being profit oriented and developing Bumiputera capacity in the economy. Today, there are many Bumiputera individuals and corporations that possess skill and capability. There is no reason for them to be excluded. We should not exclusively put our trust in foreign companies and experts.

22. GLCs should be at the vanguard of efforts to enhance the abilities and credibility of Bumiputeras. GLCs must play a role to catalyse the transfer of technology from overseas to local and Bumiputera firms. I am proud of what the GLCs have achieved. I will be prouder still when GLCs play an active role in expanding the Bumiputera Commercial and Industrial Community and accelerating the transfer of technology to local companies. Their success story will be complete when GLCs can complement their role in economic development by contributing to Bumiputera socioeconomic programs.

#### PUBLIC SERVICES

23. The civil service is the prime mover of the government, covering every aspect of national development – from the economy to education to security. Indeed, an efficient civil service is critical in translating the vision of the Government into tangible benefits for the people. The Government will continue to take steps to improve the quality of the public service. The recent pay rise was one such measure. The introduction of service contracts and key performance indicators for secretaries general and heads of key agencies will also increase the level of accountability in the public sector.

24. The Government values the important role that is played by the Civil Service. That is why the Government agreed to raise civil service salaries, a rise that involves an additional annual emolument of RM8 billion. The Government views this substantial expenditure as a long term investment to ensure that the civil service continues to retain the best talent, capable of offering the highest standards of service.

25. Some improvements have already taken place. Following the establishment of flying squads, 98 percent of the backlog of land dealings since 2001 has been cleared. Now, tax returns can be filed through the internet and tax refunds via the “e-filing” system are made within 30 days. The issuance of passports and identity cards, which used to take two weeks, is now done within a day. The approval of building plans are now given within 142 days and Certificates of Completion and Compliance are issued within 134 days, a vast improvement on the length of time it took to issue Certificates of Fitness.

26. There are clearly weaknesses that must be remedied before we can attain the excellence to which we aspire. But importantly, we are now committed to change and prepared to make the necessary corrections. Improvements will be continue to be made to increase efficiency and improve the delivery system. The establishment of the Special Task Force to Facilitate Business or PEMUDAH has had a direct impact in increasing the competitiveness of the business environment.

27. The response to the Auditor General's Report is proof that a dynamic change is taking place. It is a clear illustration of the power and capability of the relevant agencies to monitor and enforce. The stand of the Government is that frank reports such as the one prepared by the Auditor General will make the improve integrity and efficiency in the civil service. I am happy with the quick action taken by the Anti Corruption Agency and I am certain that many public servants support these actions, which protect the dignity and integrity of their profession.

28. In this connection, I want the civil service to always realize that their purpose in to serve the public – primarily the poor, the uneducated, and those without rank or position. This is the biggest and most important constituency. They must be treated with friendliness and respect. The power of administration must be given to speed up processes, not slow them down, especially for the powerless.

#### DEVELOPING GROWTH CORRIDORS AND TAPPING NEW POTENTIAL

29. The development corridor concept is a new approach aimed at generating comprehensive and widespread economic development. The nation's development would be unbalanced if growth was solely concentrated in urban areas. Our cities would become overcrowded, while rural Malaysia would be neglected. The regionally based growth corridors will tap new potential and elevate efforts to eradicate poverty. More importantly, each corridor exploits unique local characteristics and natural competitive advantages. For example, the Northern Corridor will concentrate on agriculture and tourism will feature prominently in the East Coast and in Sabah.

30. The development corridors also adopt a new approach by involving the private sector more actively in development plans. For example, it has been reported that 70 percent of industrial areas within the Northern Corridor remain unused due to lack of demand. Therefore, we have ensured that the private sector is directly involved in the planning and implementation of the Corridors. This is to ensure all investments are commercially oriented and can generate appropriate returns, apart from delivering the benefits of development to the people.

31. The launch of the Iskandar Development Region (IDR) on 4 November 2006 ushered a new era in the country's development. It has been designed to become a services hub, principally in the areas of creative arts, education, health care, financial and consulting services, tourism and logistics. It is expected to propel the southern Johor region to become a dynamic metropolis.

32. Both the Northern Corridor Economic Region (NCER), covering Perlis, Penang, Kedah and northern Perak and the East Coast Economic Region (ECER), which encompasses Kelantan, Terengganu, Pahang and the district of Mersing in Johor will feature a variety of sectors, aimed at eradicating poverty and improving the quality of life of the people and to eradicate poverty. We also want to ensure that the progress is distributed to the whole of the country, including the states in East Malaysia. In this connection, development corridors in Sabah and Sarawak will be established to take into account the needs and aspirations of the two states.

Eradication of poverty will be the main focus of these two corridors. All these corridors are aimed at improving the lives of the people by ensuring that they taste the fruits of success.

33. The philosophy behind the development corridors is that no one should be left behind. Economic sectors and geographical regions that are currently lagging behind will be developed quickly. Additional income and new sources of income will be generated and new sources of wealth will be harvested. When our plans succeed, it will transform the face of Malaysia. Development will not just be concentrated to major urban centres, but will instead be spread to every area of our nation. This is our noble ambition.

34. There are fears that these development corridors, especially the Iskandar Development Region will threaten the future of the Malays. To me, this is an antiquated view. Perhaps in the past, we were laggards in our own land. This is not the case now. We now have many Malays who are well educated and have become doctors, lawyers, accountants and even astronauts. A class of Malay managers, capable of successfully running businesses has emerged. Therefore, the presumption that the IDR will harm Malays is an insult to the ability of Malays to compete on the global stage. Through Yayasan Hartanah Bumiputera and other agencies, qualified Malay entrepreneurs will be given ample opportunity to participate in the development of IDR.

35. The NCER has been well received by the people of the North. Similarly, the ECER has elicited a positive response from the people on the East Coast, including the PAS government in Kelantan. Our efforts are evidence of the Government's sincerity in bringing development to all parts of the country. We put aside politics to improve the quality of life of the people and to lift them out of poverty. The economic corridors are part of the Government's national agenda – proof of the determination of the Barisan Nasional government to develop the entire nation for the well being of the people.

36. These development corridors should be seen as a larger plan to vault every Malaysian – Malays especially – to greater prosperity. In the past, we have been speaking about towering Malays – and this is what we want – Malays who are unafraid to take on the world. We will never sacrifice the interest of Malaysians and Malays. The investment that we will attract from all over the world will accelerate our economic growth and the benefits will be enjoyed by all. And we will provide the necessary facilitation and encouragement in order to enable all Malays who want to compete in these Corridors the ability to do so.

37. In the Corridors, agriculture in Malaysia will be given a new face and a fresh approach. Structural changes will be introduced, especially to allow greater Malay participation in the supply chain. Malay farmers are still restricted to harvesting primary products. Their work is labour and time intensive, but yields low value returns. Agriculture encompasses so much more than this – it involves the provision of quality seedlings, modern equipment, technology, transportation, packaging and branding, wholesaling, retail, to name a few components. Today, the supply chain is not yet controlled by Malays, much less Malay farmers. The Government will work towards effecting a transformation from traditional agriculture to modern agriculture, which through the use of biotechnology and ICT sector will be more productive and profitable. Through this new approach, the agriculture sector will have a direct impact on our fight against poverty and will increase people's incomes.

## DEVELOPING HUMAN CAPITAL AND ACHIEVING POTENTIAL

38. The development of quality human capital is critical to build competitiveness and to achieve national development goals. As a developing nation, Malaysia faces many competitive pressures and challenges in the 21st century. In the current environment, success comes to those who value-add themselves. This is true for individuals, corporations and nations. To realise our country's aspirations, a substantial effort must be made to develop human capital and consequently enhance our competitiveness, productivity and capacity to innovate. .

39. Our youth are like unpolished gemstones. They will inherit our nation and will determine its fortunes in the years ahead. They must possess intellectual capacity, knowledge and culture. They must possess physical well-being and strong morals. Our youth must be prepared to lead our nation to greater heights.

40. We are currently effecting a quantum leap to develop human capital, and increase our productivity and innovation, so that we can attain developed nation status by 2020. We are transforming our education system at all levels – from pre-school to higher education. It is a complex task that involves many stakeholders. The Education Development Blueprint, 2006 – 2010 that was launched on 16 January 2007 provides the strategy and guidance to deliver quality basic education that is relevant to present needs.

41. Since the pre-Merdeka era, national schools have been conceived as the instrument to educate a multiracial population. This remains our objective. National schools will be strengthened to become the school of choice for all communities. Rural schools will be given quality teachers as well as infrastructure and facilities that compare well with urban schools. Schools will excel in academic performance, co-curricular activities and sports. Cluster schools will become the benchmark in our drive to build a quality education system.

42. The Higher Education Strategic Plan was launched on 27 August 2007. The Plan forms the basis for the development of higher education until 2020. Through the Plan, the transformation of higher education will be sparked, in consonance with national development aspirations. It is the wish of Government for institutions of higher education to create an atmosphere that is competitive, premised on performance and meritocracy. Institutions of Higher Education must be able to produce graduates that will attract employers in the global marketplace. These institutions should also produce quality research that possesses high commercial value.

43. We have taken steps, among them providing more autonomy to Public Institutions of Higher Education in order to make them more efficient and effective. Audits of academic performance will be carried out to determine ratings for each institution. We have also embarked on a programme to develop an "apex" university.

44. Small and Medium Enterprises (SMEs) play an important role in generating economic growth. They need human capital that is trained with the relevant skill sets. Technical and vocational training will be structured to meet the needs of industry.

45. Religious schools are also instructed to provide variety in their curriculum and broaden their scope. Students in these schools will be supplied with knowledge, experience and skills that enable them to meet the human capital needs in a

globalised economy that puts a premium on knowledge.

46. I want to see UMNO members turn the human capital development program into a jihad – for the party, for their families and for themselves. Each UMNO member must set a target to create a group of Malay professionals and technocrats. Each member must ensure that their children are enrolled in institutions of higher education.

#### BUILDING SELF CONFIDENCE, ERADICATING POVERTY

47. In 2020, it is important for Malays not to be left behind, marginalized in a nation that is already developed. We are working hard to avert this outcome.

48. Worry, fear and a sense of being under threat occurs when Malays are insufficiently prepared. For as long as Malays remain unambitious, they will fear meritocracy. The feelings of inferiority, nervousness and insufficiency are poisons that have been injected into the Malay mentality since colonial times. These poisons must be removed. Malays, when given the proper guidance and fair opportunity, are prepared to compete.

49. We have been independent for 50 years. Malays in the modern day are prepared to work hard. Many are prepared to compete globally. We should not be underestimated. We will equip Malays to take the nation to a higher level over the next 50 years. Let us aspire to greater heights and believe in our own abilities. Let us endeavour with the full confidence that Allah will bestow victory to those with armed with noble intentions, are willing to work hard and are prepared to change. God did not create Malays to be weaker or less intelligent than other peoples. The name of the first Malaysian to go into space is Sheikh Muszaphar – a Muslim and a Malay, chosen by the selection panel in Russia from a large, multiracial pool of candidates. Today, Malays have master many professions, lead many organizations and head many institutions. The success of this nation is a testament to the wisdom and greatness of Malay leadership.

50. The Malay community must create a critical mass of educated and skilled Malays, so that we can contribute more effectively in a variety of economic sectors. Intrepid Malays will be able to see the New Economic Policy from a perspective that will no longer alarm non-Malays. We should champion the fulfilment of the objectives of the NEP, ensuring the development of deep professional and middle classes among the Malays, so that Malaysian society is no longer divided by profession. The NEP was never intended to rob anyone's rights. Although it has been 37 years since the introduction of the NEP, we have not made Malays rich by seizing the wealth of the non-Malays. The list of the richest individuals in Malaysia is still led by non-Malays. All parties should work towards achieving the objectives of the NEP.

51. In our quest to balance racial composition in the private and public sectors, let us not forget the other important goal of the NEP – eradication of poverty. The country will not achieve true peace and harmony while we have large numbers of poor living among us. Poverty can cause political instability, street demonstrations, high rates of crime and serious social problems. Poverty eradication programs are for all – irrespective of race or religion. Capacity building and value adding through effective education programs will elevate people from poverty. Poverty eradication programs will be given intensive attention in the second half of the Ninth Malaysia Plan. We hope that in the not too distant future, the term "poverty" will be obsolete – a word only to be found in dictionaries. Elected representatives must give high priority to

poverty eradication – their success in doing so in their respective constituencies will be one of their key performance indicators.

## OVERCOMING FEARS

52. Society is currently faced with a number of fears, among them: crime and inter-religious and communal issues. Crime in Malaysia is caused, among others by social problems and in some cases as a result of the influx of illegal immigrants. Media reports of crimes have heightened the public's awareness, but the dramatic manner in which the news is presented gives the impression that this country is no longer safe. Higher crime rates and the approach taken by the media will affect the nation's image. The Government is aware of the problem and in both the Ninth Malaysian Plan and the 2008 Budget, a large allocation has been granted to the Police. It should be understood, however, that the large personnel increases required by the Police cannot be filled overnight. It takes time to hire and train new police personnel. While this is happening, the country and society must be supportive of the Police and refrain from undermining the public's confidence in the force.

53. Maintaining security is a responsibility of the Government, one which can be carried out more effectively with the support of the public. Tackling social problems such as drug abuse, smuggling, human trafficking requires the cooperation of all parties. The spirit of "citizen patrols" that was once commonplace must be revived. Malaysian society, which has now become accustomed to material comforts must never lose the community spirit. The call of the Government to reactivate the "Rukun Tetangga" must be answered. The work of the police must be supplemented by public assistance. A strong national spirit must prevail as we confront increasing crime rates. I am confident that if neighbourhood patrols are restarted, the incidence of break-ins and thefts will decrease dramatically. I ask all UMNO members, and the members of Barisan Nasional component parties to step forward and set an example in assisting the Government to combat crime.

54. The harmony between the various communities and religions in Malaysia is not an optional luxury – it is a necessity. We have no other choice. Fifty years ago, our independence movement was successful because of the wisdom of Tunku Abdul Rahman (Almarhum) and his colleagues who introduced the concept of power sharing.

55. We have been independent for fifty years. Now, those who are born in Malaysia are Malaysians citizens. They were born and have grown up knowing only Malaysia as their homeland. The time for championing parochial interests is over. Issues must be addressed on the basis of the interests of the nation and the Malaysian people as a whole.

56. During the 2006 UMNO General Assembly, UMNO allowed the media to provide live coverage of the proceedings. For the first time, the world was given a window to view Malay political rhetoric. Only a small number of speakers raised issues that perhaps touched on communal sensitivities. The speeches by the President, Deputy President and the leaders of the Youth, Wanita and Puteri movements, as well as the other debaters spoke on issues from a national perspective and represented the majority view within UMNO. I believe that similar extremist sentiments are voiced by members of political parties that represent other communities. However, in the spirit of building a unified nation, the consensus of moderation and mutual respect outweighs extremist tendencies.

57. Those who would wish to inflame communal sentiments have sensationalised the words of a few UMNO speakers. The act of unsheathing and kissing a keris is part of our cultural heritage, but it's meaning has been twisted to spread fear among non-Malays, and the image of UMNO and Malaysia has been smeared overseas. On behalf of UMNO's leaders and members, I give assurance that UMNO will never breach the spirit of the understanding that has been agreed with the other communities at the time of Merdeka. Opportunities in Malaysia are available to all. There is a future for every Malaysian in this country.

58. By the same token, other communities must appreciate the sensitivities of the Malays. Basic matters relating to the sanctity of religion, beliefs and practices, Malay interests and the social contract between the communities are sacred to us and should not be raised. Similarly, the basic issues that were agreed upon at the time the Federal Constitution was drafted are non-negotiable.

59. UMNO does not engage in duplicity. We do not change our tune to suit the occasion or the audience. We are ready to seek intelligent resolutions and win-win outcomes when dealing with sensitive issues relating to race and religion. Nevertheless, for these issues to be addressed effectively, it is more appropriate to have these discussions behind closed doors. Sensitive issues must be handled objectively, rationally and maturely. UMNO and its colleagues in Barisan Nasional must never be ensnared by religious and racial issues raised by the opposition. We are the party that controls Government, we administer executive power. We should never allow ourselves to sink to their level.

#### TOWARDS 100 YEARS OF INDEPENDENCE

60. In conjunction with the 50th anniversary of our independence, with the grace of Allah, I was given the honour of revisiting the historical journey undertaken by Tunku Abdul Rahman Putra. Beginning with the events in Bandar Hilir in Malacca, until the proclamation of MERDEKA at the Merdeka Stadium.

61. Malaysians should be thankful for the dignity and sovereignty that our nation possesses. We can be proud of how we have progressed since we attained our freedom. Much of this stems from the wisdom of our leadership, beginning with Tunku Abdul Rahman Putra, followed by Tun Abdul Razak Hussein, Tun Hussein Onn and Tun Dr Mahathir Mohamad. I was given the responsibility to lead four years ago.

62. This region once achieved greatness during the Malay Empire of Malacca. But it Malacca only lasted a century. After its fall, we were colonised for almost 500 years a period when our destiny was determined by foreign powers. In the 50 years after Merdeka, we have managed to govern ourselves and rekindle the glory of Malacca. Malaysia has emerged once again as a sovereign nation, esteemed and respected. But we do not want our success to last for only 100 years. We want to perpetuate our excellence.

63. I am grateful that I have inherited a Government that has achieved much, especially in the area of our physical infrastructure development. In fact, the challenge that confronts me is to add value to the success that has already been achieved. I have therefore decided to work towards developing the software for our nation through cultivating first class human capital. We have introduced various formulae, restructured organisations and established new institutions. Fresh policies have been put in place and adjustments have been made to suit changing circumstances. The four years that I have held the reins of leadership is a relatively

short span of time in our life as an independent nation and I realise that we still have some distance to travel before we meet the targets that we have set ourselves. In addition, there are new challenges emerging, such as the increasing price of fuel and other commodities and political instability in strategic regions such as the Middle East. Still, the positive signs that I see in Malaysia fill me with optimism.

64. We must be aware of our people who are becoming better educated, have more access to information and want more transparency, democratic practices and a bigger role for civil society. Media is undergoing a revolution. Information is now distributed through multiple channels. In this context, we must be intelligently balance the need for media freedoms with the basis for political stability that we have enjoyed. The Government wishes to see the media industry grow into an industry that is progressive and open, an industry that can carry out its responsibilities with integrity and responsibility. Perhaps one day in the future, the media can assume the responsibility of self regulation by its own professionals.

65. We must strengthen and rejuvenate political cooperation through a genuine spirit of power sharing. We must educate our future leaders to continue with the nation building agenda. The failure to prepare capable successors will leave a void that will be eagerly filled by our opponents.

66. It is the responsibility of today's leaders to institute smooth continuity of leadership. UMNO is strong and stable because of the attention given to groom future leaders. During the time of Tun Abdul Razak (Allahyarham), much emphasis was given to talent spotting. Young leaders were given the opportunity to serve. They were educated and guided. This is why when both Tun Dr. Ismail and Tun Abdul Razak passed away suddenly, UMNO was equipped with a new echelon of leaders that was prepared and tested. No one lives forever. Responsible leaders will think about the nation's future. For the sake of the country's future, we must give priority to programs that develop potential leaders of tomorrow.

67. The fate of the nation in 2057 will depend on what we do today. The National Mission must succeed and this will only happen when our people are strong. They must be equipped with knowledge and become masters of technology. They must be cultured and possess strong morals.

68. A country that celebrates 50 years of independence must be populated with a free people – a people who have the belief and confidence in their future. Its people must shoulder the responsibility of defending its freedom; a people who live in harmony between communities and religions; a people who are broad minded and big hearted.

69. The next 50 years must be fully optimised by the Malays, by all Malaysians. The Federal Constitution must continue to be the bedrock of our nation and the Rukun Negara our guiding principles. We want to ensure that the country remains united and society remains equitable, infused with the spirit of togetherness and power sharing. We want to build a cultured and civilised nation through the approach of Islam Hadhari, which contains universal principles. We want an advanced nation that continues to progress, steered by the National Mission.

70. The National Mission has five main thrusts – moving the economy up the value chain, developing first class human capital, addressing persistent socio-economic imbalances, improving the quality of life and strengthening institutional capacity – all of which are universal, constant requirements for national building. The strength of

our human capital will determine the success of the Mission. It will determine whether we achieve developed nation status and progress further.

71. Let us all build a nation that enriches every citizen, regardless of race or belief. Let us be a nation where everyone enjoys balanced development. Let us carry our nation to the peak of distinction.

72. When we celebrate our centenary of independence in 2057, Malaysia should be counted as one of the countries with the highest levels of human development. We should be ranked as one of the most competitive economies in the world with first class human capital, infrastructure, institutions and administration standards, insya-Allah.

73. I pray to Allah to provide guidance and inspiration to us to carry out our responsibilities and exercise our communal obligations, our fardu kifayah. I pray that our leaders and the future of both UMNO and Malaysia do not fall under the control of those who wish to bring destruction. May our Assembly be blessed by God.