

**SPEECH BY
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE CORNELL CLUB OF MALAYSIA DINNER
AT PUSAT KONVENSYEN ANTARABANGSA PUTRAJAYA (PICC), PUTRAJAYA
10 NOVEMBER 2007**

"THE REGIONAL DEVELOPMENT CORRIDORS: IMPETUS FOR ECONOMIC GROWTH,
INVESTMENT OPPORTUNITIES AND CHALLENGES FOR IMPLEMENTATION UNDER THE
RMK9 AND BEYOND"

BISMILLAHIR RAHMANIR RAHIM

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH AND GOOD EVENING

DR. MOHD YUSOF ISMAIL
PRESIDENT, CORNELL CLUB OF MALAYSIA

DISTINGUISHED GUESTS

LADIES AND GENTLEMEN

1. ALHAMDULILLAH, ALL PRAISE AND GLORY ARE FOR ALLAH S.W.T., FOR IT IS WITH HIS BLESSINGS AND GUIDANCE THAT WE ARE GATHERED HERE TODAY.

2. I WOULD LIKE TO THANK THE ORGANISERS FOR INVITING ME TO THIS EVENT. TONIGHT, I WOULD LIKE TO SHARE MY THOUGHTS ON THE REGIONAL DEVELOPMENT CORRIDOR PLANS. I BELIEVE THIS IS AN OPPORTUNE TIME TO DO SO, AS THESE CORRIDORS BEGIN THE CRUCIAL PHASE OF EARLY IMPLEMENTATION.

3. I HAVE CHOSEN TO SPEAK ON REGIONAL DEVELOPMENT CORRIDORS AS MY VERY FIRST SPEECH FOLLOWING THE RECENT UMNO GENERAL ASSEMBLY. THIS SPEAKS VOLUMES ABOUT THE IMPORTANCE OF THIS SUBJECT MATTER TO MY GOVERNMENT AND TO THE NATION.

LADIES AND GENTLEMEN

4. IN MARCH 2006, I ANNOUNCED THE NINTH MALAYSIA PLAN, WHICH MARKS THE START OF THE SECOND PHASE OF OUR JOURNEY TOWARDS BECOMING A DEVELOPED NATION BY THE YEAR 2020. IN THIS PLAN, I OUTLINED THE FIVE THRUSTS OF THE NATIONAL MISSION AS A STRATEGIC FRAMEWORK FOR MALAYSIA OVER THE NEXT 15 YEARS AND BEYOND.

5. THE NATIONAL MISSION HIGHLIGHTS THE NEED FOR INVESTING IN HIGHER VALUE ADDED ACTIVITIES, AS WELL AS IN DEVELOPING FIRST-CLASS HUMAN CAPITAL. IT ALSO EMPHASISES THE NEED FOR BALANCED GROWTH, AND THE IMPERATIVE OF UPGRADING THE MALAYSIAN QUALITY OF LIFE. FINALLY, THE NATIONAL MISSION PRIORITISES THE NEED FOR IMPROVING OUR INSTITUTIONAL FOUNDATIONS AND DELIVERY MECHANISMS.

6. IN THIS REGARD, THE FIVE THRUSTS OF THE NATIONAL MISSION PROVIDES THE STRATEGIC FOUNDATIONS FOR THE REGIONAL DEVELOPMENT CORRIDORS. INDEED, I CONSIDER THE REGIONAL DEVELOPMENT CORRIDORS TO BE AN IMPORTANT ASPECT OF MY ECONOMIC STRATEGY FOR THE NATION.

7. WE HAVE ALREADY LAUNCHED THREE REGIONAL CORRIDORS IN THE PENINSULA: THE ISKANDAR DEVELOPMENT REGION IN SOUTH JOHOR; THE NORTHERN CORRIDOR ECONOMIC REGION IN PERLIS, PULAU PINANG, KEDAH, AND NORTHERN PERAK; AND THE EAST COAST ECONOMIC REGION IN KELANTAN, TERENGGANU, PAHANG, AND MERSING IN JOHOR. ANOTHER TWO CORRIDORS IN SABAH AND SARAWAK ARE IN THE FINAL STAGES OF PLANNING, AND WOULD BE LAUNCHED SOON.

8. THE REGIONAL CORRIDORS MARK A NEW APPROACH IN DEVELOPMENT PLANNING FOR OUR NATION. THIS EVENING, I WOULD LIKE TO SHARE MY THOUGHTS ON THE UNDERLYING PHILOSOPHY BEHIND THE REGIONAL DEVELOPMENT CORRIDOR PLANS.

LADIES AND GENTLEMEN

9. THE PHILOSOPHY OF NATIONAL DEVELOPMENT IN MALAYSIA HEAVILY EMPHASISES THE CONCEPT OF GROWTH WITH EQUITY. IN THIS REGARD, THE REGIONAL CORRIDOR PLANS CONSTITUTE A RENEWED EMPHASIS ON THIS VERY IMPORTANT IDEA.

10. ONE ASPECT OF EQUITABILITY IS THE NEED TO ADDRESS INCOME GAPS. OVER THE DECADES, MOST OF THE DEVELOPMENT IN MALAYSIA HAS BEEN CONCENTRATED IN THE TRADITIONAL CENTRES OF KUALA LUMPUR, PULAU PINANG, AND JOHOR BHARU. IN FACT, DEVELOPMENT IN THESE AREAS HAVE BEEN VERY RAPID. IN A STUDY THAT IS DUE TO BE PUBLISHED BY THE NATIONAL PRODUCTIVITY CENTRE (N.P.C.) VERY SOON, WE HAVE DISCOVERED THAT WE ARE FAST REACHING THE POINT WHEN WE CAN MAKE APPLE-TO-APPLE COMPARISONS BETWEEN KUALA LUMPUR AND SINGAPORE.

11. THIS IS AN IMPORTANT DEVELOPMENT. IT MEANS THAT IF KUALA LUMPUR WERE VIEWED AS A STAND-ALONE CITY-STATE LIKE SINGAPORE, OUR VERY OWN K.L. WOULD BE A DEVELOPED NATION IN ITS OWN RIGHT. IT ALSO MEANS THAT FOR MALAYSIA AS A WHOLE TO BE A DEVELOPED NATION BY THE YEAR 2020, WE NEED TO BRING THE REST OF MALAYSIA UP TO PAR WITH KUALA LUMPUR.

12. IN ORDER TO DO THIS, WE NEED TO ADDRESS THE LARGE GAP IN INCOME THAT EXISTS ACROSS VARIOUS GROUPS IN MALAYSIA. THE INCOME RATIO BETWEEN URBAN AND RURAL HOUSEHOLDS HAS ACTUALLY DETERIORATED FROM ONE TO 1.81 IN 1999, TO ONE TO 2.11 IN 2004. BECAUSE THE BUMIPUTERA COMMUNITY IS LARGELY LOCATED IN RURAL AREAS, THE INCOME GAP BETWEEN BUMIPUTERAS AND THE NON-BUMIPUTERAS IS ALSO STUBBORNLY HIGH. IN BOTH CASES, THE GAPS IN INCOMES CAN BE ATTRIBUTED TO THE GREATER ECONOMIC GROWTH OF MALAYSIA'S URBAN CENTRES – PARTICULARLY IN THE KLANG VALLEY – COMPARED TO THE RURAL HINTERLAND.

13. THE OTHER ASPECT OF EQUITABILITY IS THE ERADICATION OF POVERTY. WE HAVE SET OUT VERY AGGRESSIVE TARGETS FOR POVERTY ERADICATION. BY 2010, WE PLAN TO ELIMINATE HARDCORE POVERTY. DURING THE SAME TIME, WE HOPE TO HALVE THE OVERALL POVERTY RATE DOWN TO 2.8 PER CENT.

14. RECENTLY, DURING THE UMNO GENERAL ASSEMBLY, I ANNOUNCED THAT POVERTY ERADICATION WOULD BE THE PRIORITY FOR THE SECOND PHASE OF THE NINTH MALAYSIA PLAN. FOR ELECTED REPRESENTATIVES UNDER THE BANNER OF THE BARISAN NASIONAL, THEY WOULD BE EVALUATED PARTLY ON THEIR PERFORMANCE IN HELPING TO REDUCE POVERTY IN THEIR CONSTITUENCIES.

15. BOTH FROM THE LOGIC OF INCOME PARITY, AS WELL AS POVERTY ERADICATION, THE APPROACH OF BROAD-BASED REGIONAL GROWTH IS THEREFORE PARAMOUNT. HENCE, THE REGIONAL CORRIDORS PLACE GREAT STOCK IN PROMOTING NEW CENTRES FOR REGIONAL GROWTH.

16. ON ONE HAND, THE CORRIDORS ARE AIMED AT BUILDING ON THE EXISTING STRENGTHS OF TRADITIONAL GROWTH CENTRES SUCH AS KUALA LUMPUR, JOHOR BHARU AND PULAU PINANG. AT THE SAME TIME, THE CORRIDORS WOULD ALSO PROMOTE THE RISE OF NEW GROWTH CENTRES. THESE WOULD INCLUDE PADANG BESAR AND KULIM IN THE NORTHERN CORRIDOR; KUANTAN AND KUALA TERENGGANU IN THE EASTERN CORRIDOR; AND NUSAJAYA AND SENAI IN ISKANDAR. THE RISE OF THESE SATELLITE GROWTH CENTRES WOULD ENSURE MORE BROAD-BASED ECONOMIC GROWTH, AND HENCE GREATER EQUITABILITY.

17. THE REGIONAL CORRIDOR STRATEGY ALSO PLACES GREAT EMPHASIS ON THE PROMOTION OF RURAL AGRICULTURE. RESEARCH, LOGISTICS, AND MARKETING SUPPORT WOULD BE PROVIDED TO HELP TRANSFORM RURAL AGRICULTURE, BY CONNECTING THEM TO THE WIDER GLOBAL MARKET. BY DOING SO, WE HOPE TO PROMOTE GROWTH IN RURAL INCOMES, THEREBY HELPING TO CLOSE THE INCOME GAPS BETWEEN VARIOUS SECTIONS OF MALAYSIAN SOCIETY. ULTIMATELY, THE REGIONAL CORRIDORS WILL BE THE RISING TIDE THAT LIFTS ALL MALAYSIAN BOATS TOWARDS DEVELOPED NATION STATUS BY THE YEAR 2020.

LADIES AND GENTLEMEN

18. ANOTHER NATIONAL PRIORITY WHICH ALSO INFORMS THE THINKING BEHIND THE REGIONAL CORRIDOR PLANS IS THE NEED FOR COMPETITIVENESS. WE ARE NOW OPERATING IN A GLOBAL, OPEN ENVIRONMENT WHERE THE COMPETITIVE PRESSURES ARE INTENSE.

19. THIS EMPHASIS ON COMPETITIVENESS UNDERPINS OUR DECISION TO INVOLVE THE PRIVATE SECTOR IN THE OVERALL PLANNING, AS WELL AS IN THE IMPLEMENTATION AND EXECUTION OF THESE CORRIDORS. WE NOTE THAT A NUMBER OF INITIATIVES IN THE PAST HAVE FAILED TO GALVANISE THE PRIVATE SECTOR INTO ACTION. THIS HAS LEFT MANY PROJECTS AND PROGRAMMES BEING UNDER-UTILISED AND SOMETIMES LEFT ABANDONED.

20. TODAY, THE PRIVATE SECTOR IS ENCOURAGED TO PLAY A LEADING ROLE IN THE DEVELOPMENT OF THE CORRIDORS. THIS WOULD ENSURE THAT THE PLANNING FOR THESE CORRIDORS WOULD BE BUSINESS-DRIVEN AND SUSTAINABLE. AT THE SAME TIME, PRIVATE SECTOR PARTICIPATION WOULD

ENSURE THAT BOTH PUBLIC AND PRIVATE INVESTMENTS ARE MADE WITHIN THE CONTEXT OF A COMPETITIVE AND COMMERCIALY-ORIENTED CORRIDOR DEVELOPMENT.

21. THERE IS ALSO ANOTHER ASPECT OF COMPETITIVENESS THAT IS ALSO IMPORTANT: THE NEED TO FOSTER NATIONAL COMPETITIVENESS THROUGH INDUSTRIAL DEVELOPMENT. WE NEED TO PROMOTE THE ENTIRE ECOSYSTEM OF INVESTMENTS, INCENTIVES, HUMAN CAPITAL, AND OTHER FACTORS THAT PROMOTE THE GROWTH OF NEW STRATEGIC SECTORS. THEREFORE, WE HAVE ALSO POSITIONED THE REGIONAL DEVELOPMENT CORRIDORS AS VEHICLES FOR INCUBATING AND NURTURING NEW INDUSTRY GROWTH.

22. FOR EXAMPLE, IN ISKANDAR, WE HAVE IDENTIFIED KEY SERVICE SECTORS SUCH AS FINANCE, EDUCATION, I.C.T., LOGISTICS, HEALTHCARE, AND THE CREATIVE INDUSTRIES.

23. IN THE NORTHERN CORRIDOR ECONOMIC REGION, WE ARE EMPHASISING THE GROWTH OF MODERN AGRICULTURE, TOURISM, ELECTRICAL AND ELECTRONICS MANUFACTURING AND DESIGN, AND LOGISTICS INDUSTRIES.

24. IN THE EAST COAST ECONOMIC REGION, WE WILL BE PROMOTING THE GROWTH OF PETROCHEMICALS, MODERN AGRICULTURE, AUTOMOTIVE, AND TOURISM INDUSTRIES.

25. BY PLACING THE DEVELOPMENT OF THESE STRATEGIC SECTORS WITHIN THE ECOSYSTEM OF THE REGIONAL CORRIDORS, WE HOPE TO PROMOTE THE DEVELOPMENT OF COMPETITIVE INDUSTRIES THAT WOULD SPAWN REGIONAL AND EVEN GLOBAL CHAMPIONS IN DUE TIME.

LADIES AND GENTLEMEN

26. ANOTHER IDEA WHICH INFORMS THE PLANNING AND DEVELOPMENT OF THE REGIONAL CORRIDORS IS THE IDEA OF "LEVERAGE".

27. IN THE REGIONAL CORRIDOR STRATEGY, A KEY ASPECT OF OUR DEVELOPMENT APPROACH IS THE NEED TO LEVERAGE ON EXISTING STRENGTHS. FOR EXAMPLE, OUR PLANS FOR THE SATELLITE GROWTH CENTRES IN THE VARIOUS CORRIDORS DO NOT ARISE IN A VACUUM. INSTEAD, WE TAKE INTO ACCOUNT THE EXISTING STRENGTHS OF OUR NATION.

28. LIKewise, OUR SECTORAL APPROACH IS ALSO FOUNDED ON THE CONCEPT OF LEVERAGE. WE DO NOT INTEND TO START NEW INITIATIVES FROM SCRATCH. INSTEAD, WE AIM TO BUILD ON OUR EXISTING ECONOMIC STRENGTHS TO VENTURE INTO NEW AREAS. FOR EXAMPLE, OUR FORAY INTO PALM-BASED BIODIESEL IS BASED ON OUR EXISTING POSITION AS A GLOBAL POWERHOUSE IN PALM OIL PLANTATIONS AND REFINING. ANOTHER EXAMPLE IS OUR RECENT FOCUS ON THE HALAL INDUSTRY, WHICH LEVERAGES ON MALAYSIA'S STRONG LINKAGES WITH THE MUSLIM WORLD, AS WELL AS OUR EXISTING STRENGTH IN GLOBAL LOGISTICS.

29. IN KEEPING WITH THE IDEA OF LEVERAGE, WE WARMLY WELCOME INVESTMENTS INTO THE REGIONAL DEVELOPMENT CORRIDORS FROM ALL COMERS. WE WILL ROLL OUT THE RED CARPET FOR BOTH DOMESTIC AND FOREIGN PARTNERS, FROM THE REGION AS WELL AS FROM BEYOND.

30. IN THE CASE OF THE ISKANDAR DEVELOPMENT REGION., WE PLAN TO LEVERAGE ON THE PROXIMITY TO SINGAPORE TO CREATE A NEW GLOBAL METROPOLIS IN SOUTHERN JOHOR THAT MALAYSIANS CAN BE TRULY PROUD OF. IN THIS REGARD, SOME PARTIES HAVE EXPRESSED THEIR CONCERNS AND RESERVATIONS. IN MY MIND, THESE CONCERNS ARE UNFOUNDED.

31. WE CANNOT CONTINUE TO HARBOUR FEARS ABOUT OUR OWN CAPABILITIES TO MAKE OUR CORRIDORS WORK. WE HAVE THE KNOWLEDGE, WE HAVE THE SKILLS, AND WE HAVE THE ABILITY TO ENSURE SUCCESS.

32. WE NEED NOT FEEL UNDULY WORRIED OR ASHAMED ABOUT WORKING WITH OUR NEIGHBOURS FOR MUTUAL BENEFIT, IF WE NEED TO. WE SHOULD BE MORE ASHAMED IF WE CANNOT OVERCOME POVERTY AND BACKWARDNESS OF OUR OWN PEOPLE. WE MUST BRING THE LIGHT OF DEVELOPMENT INTO EVERY CORNER OF MALAYSIA; THIS IS MY GOVERNMENT'S PLEDGE TO THE PEOPLE OF MALAYSIA.

LADIES AND GENTLEMEN

33. THE FUTURE STRETCHES AHEAD OF US IN A MATCHLESS HORIZON. BUT MAKE NO MISTAKE: THE ROAD AHEAD WILL BE LONG, STEEP AND HARD. BUT IF WE AIM TO STAY TRUE TO OUR PROMISE, THEN WE HAVE NO CHOICE BUT TO STAY THE COURSE.

34. IT IS NOW TIME FOR AGGRESSIVE IMPLEMENTATION AND FOCUSED EXECUTION. WHEN THE REGIONAL DEVELOPMENT CORRIDORS TAKE ROOT AND BRANCH OUT IN THE NEAR FUTURE, WE WILL BE ABLE DELIVER THE FRUITS OF DEVELOPMENT TO EVERY MALAYSIAN. WE WILL THEN LITERALLY CHANGE THE FACE OF MALAYSIA, INSYA-ALLAH. LET US THEREFORE WORK TOGETHER AND TOIL TOGETHER, SO THAT IN 50 YEARS' TIME, IT SHALL BE SAID THAT OUR GENERATION MADE SURE THAT NO MALAYSIAN WAS LEFT BEHIND.

35. MAY ALLAH S.W.T. BLESS OUR EFFORTS, AND MAY HE STRENGTHEN OUR WILL TO DO WHAT IS BEST.

THANK YOU.