

**SPEECH BY
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AT THE FORBES CEO CONFERENCE 2007
AT SINGAPORE
11 SEPTEMBER 2007**

HONoured GUESTS

LADIES AND GENTLEMEN

1. IT IS A PLEASURE FOR ME TO BE HERE TONIGHT, NOT ONLY TO SPEAK AT THIS DISTINGUISHED GATHERING, BUT ALSO TO VISIT MY CLOSE NEIGHBOUR SINGAPORE ONCE AGAIN. AS SOME OF YOU MAY KNOW, THE BIRTHS OF MALAYSIA AND SINGAPORE ARE BOUND TOGETHER IN ONE SHARED HISTORY. IT STILL AMAZES ME HOW FAR WE'VE COME SINCE THEN.

2. ALTHOUGH WE ARE TWO SEPARATE COUNTRIES, CHARTING DIFFERENT COURSES, ONE CANNOT DENY THE IMPACT THAT BOTH COUNTRIES HAVE HAD ON EACH OTHER'S DEVELOPMENT. THIS WILL CONTINUE TO BE THE CASE IN THE FUTURE; IN FACT, EVEN MORE SO IN THIS AGE OF GLOBAL INTERCONNECTION. I WILL SPEAK MORE ABOUT THIS RELATIONSHIP AND WHAT IT MEANS FOR THE REGION SHORTLY.

3. FOR NOW, LET US TAKE A MOMENT TO THINK ABOUT WHERE WE ARE TODAY.

4. GATHERED HERE ON SENTOSA ISLAND, ARE SOME 500 BUSINESS LEADERS FROM ALL OVER THE WORLD, TAKING TIME OUT FROM THEIR EXTREMELY BUSY SCHEDULES FOR A MEETING OF MINDS. EACH OF US HAS SEEN MUCH AND LEARNED MUCH IN OUR RESPECTIVE VOCATIONS. EACH YEAR WE COME AWAY WITH GREATER KNOWLEDGE OF WHAT IS HAPPENING AROUND US.

5. AS CEO OF MALAYSIA, I HAVE BEEN TO MY FAIR SHARE OF CONFERENCES AND SUMMITS. I HAVE JUST ATTENDED THE APEC SUMMIT IN SYDNEY AND TO MY MIND, AT THE HEART OF SUCH HIGH-LEVEL GATHERINGS IS THE ATTEMPT TO ANSWER ONE IMPORTANT QUESTION. THAT QUESTION IS: GIVEN WHAT IS HAPPENING AROUND US – THE TRENDS, THE CHALLENGES, THE LESSONS, THE PROJECTED FUTURE – WHAT IS THE BEST WAY TO ACHIEVE OUR RESPECTIVE GOALS?

6. THAT IS A VERY DIFFICULT QUESTION. THE SHEER SPEED OF CHANGE AND THE VERY NATURE OF LEARNING OFTEN SHOW US WHAT NOT TO DO, RATHER THAN WHAT WORKS AND WHAT SHOULD BE REPLICATED. SOMETHING THAT IS TRANSFORMATIONAL FOR ONE COMPANY MAY BE ABSOLUTELY WRONG FOR ANOTHER.

7. IT IS PERHAPS MORE SO FOR COUNTRIES. EVERY COUNTRY HAS DIFFERENT STARTING POSITIONS, DIFFERENT CULTURAL CHALLENGES, DIFFERENT POLITICAL EXPERIENCES. A POLICY OR APPROACH MAY FUNDAMENTALLY MAKE SENSE BUT MAY EXACT TOO HIGH A PRICE, SUCH AS DISTURBANCE OR INEQUITY, WHEN IMPLEMENTED IN CERTAIN ENVIRONMENTS.

8. THE MORE WE UNDERSTAND OUR BODY POLITIC – BE IT A DIVISION, A COMPANY OR A COUNTRY – THE MORE WE SEE THIS ENDEAVOUR AS A QUESTION

OF REFINEMENT. HOW DO WE TAKE THE BROAD TRENDS, OUR NEEDS AND CONCERNS, OUR FINITE RESOURCES; HOW DO WE TAKE ALL THESE CONSIDERATIONS AND TAILOR AN APPROACH SUITABLE FOR OUR INDIVIDUAL POSITIONS?

9. THIS QUESTION BRINGS ABOUT MUCH SOUL-SEARCHING FOR MALAYSIA AT THIS JUNCTURE OF OUR HISTORY. ON THE 31ST OF AUGUST THIS YEAR, MALAYSIA CELEBRATED HER 50TH YEAR OF INDEPENDENCE. 50 YEARS OF 'MERDEKA'.

10. GIVEN THE COUNTRY'S SEVERE CHALLENGES AT THE TIME, NOT MANY HAD MUCH HOPE FOR MALAYSIA'S PROSPECTS BACK IN 1957. BUT DESPITE THE ODDS, MALAYSIA HAS ACHIEVED 50 YEARS OF TREMENDOUS ECONOMIC GROWTH AND IMPROVEMENTS IN LIVING STANDARDS. NOMINAL INCOMES HAVE RISEN 26 TIMES SINCE INDEPENDENCE, POVERTY REDUCED FROM OVER 50 PERCENT TO 5.7 PERCENT.

11. A DISTINCT NATIONAL IDENTITY HAS EVOLVED AND TODAY, THE COUNTRY IS A DYNAMIC ECONOMY, WITH A UNITED AND STABLE POLITICAL ENTITY. WE WERE BLESSED WITH APPROACHES THAT WORKED.

12. THE NEXT 50 YEARS PRESENTS AN ENTIRELY DIFFERENT LEVEL OF WORK. ON THE FACE OF IT, WE SHARE MANY OF THE SAME ISSUES AS COMPANY CEOS. HOW DO WE NURTURE AND ATTRACT HUMAN CAPITAL? HOW DO WE MAKE OURSELVES MORE EFFICIENT, MORE EFFECTIVE? HOW DO WE REMAIN RELEVANT IN THE FACE OF COMPETITION?

13. BUT GOING DEEPER, WE COME BACK TO THE QUESTION OF REFINEMENT. WE ARE NOW A MIDDLE-INCOME, MIDDLE-COST COUNTRY. MUCH OF OUR GROWTH HAS TAKEN PLACE AROUND MAJOR CITIES, WHICH HAS RESULTED IN WIDENING REGIONAL DISPARITIES. THIS DOES NOT ONLY MEAN DISPARITIES IN ECONOMIC ACTIVITY OR LIVING STANDARDS, IT ALSO MEANS DISPARITIES IN AWARENESS AND EXPOSURE. A CEO IN KUALA LUMPUR OR PENANG WOULD UNDERSTAND GLOBALIZED COMPETITION MORE KEENLY THAN ONE IN RURAL TOWNS.

14. THEREFORE, FOR MALAYSIA, TWO THINGS MUST HAPPEN SIMULTANEOUSLY. FIRSTLY, WE MUST MOVE UP THE VALUE CHAIN IN A COMPETITIVE AND SUSTAINABLE MANNER, DRIVEN BY SUPERIOR HUMAN CAPITAL. SECONDLY, WE MUST ENSURE THAT MORE GROWTH AND DEVELOPMENT OCCUR THROUGHOUT THE COUNTRY, NOT MERELY CONCENTRATED IN AND AROUND KUALA LUMPUR.

15. THESE GOALS AND OUR PARTICULAR CHARACTERISTICS UNDERPIN THE APPROACH WE ARE TAKING, WHICH IS TO DEVELOP GROWTH CORRIDORS IN THE NORTH, EAST AND SOUTH OF PENINSULAR MALAYSIA AS WELL AS IN SABAH AND SARAWAK.

16. THESE REGIONS HAVE UNIQUE ENDOWMENTS THAT ARE UNDEREMPLOYED, EITHER DUE TO A LACK OF INFRASTRUCTURE OR FOCUSED ATTENTION, OR BOTH. BY INVESTING IN PUBLIC INFRASTRUCTURE AND PUTTING IN TAILORED INCENTIVES, WE HOPE TO MAKE THE NORTHERN CORRIDOR THE HUB FOR FOOD INDUSTRIES AND ELECTRONICS; THE EASTERN CORRIDOR INTO A CENTRE FOR PETROCHEMICALS AND TOURISM; THE SOUTHERN CORRIDOR OR THE ISKANDAR DEVELOPMENT REGION AS THE FOCAL POINT FOR SERVICES INDUSTRIES; AND SABAH AND SARAWAK AS REGIONS THAT LEVERAGE ON THEIR NATURAL RESOURCES, BIODIVERSITY AND TOURISM ASSETS.

17. I'D LIKE TO SAY A FEW WORDS HERE ABOUT THE ISKANDAR DEVELOPMENT REGION. THE NATURAL ENDOWMENTS OF THE IDR ARE CLEAR AND UNDENIABLE – ITS GEOGRAPHICAL LOCATION IN THE TRADE CROSSROADS BETWEEN CHINA, INDIA AND THE WEST; THE AVAILABILITY OF GREENFIELD LAND; ITS PROXIMITY TO SINGAPORE AND MANY OTHERS. THE IDR PRESENTS AN OPPORTUNITY FOR NEW COMPANIES SEEKING A BASE IN SOUTH EAST ASIA AND FOR EXISTING COMPANIES SEEKING ADDITIONAL SPACE FOR THEIR OPERATIONS.

18. DESPITE ITS NATURAL ADVANTAGES, THE IDR HAS NOT BEEN ON THE RADAR SCREEN UNTIL RECENTLY, WHEN MALAYSIA BEGAN TAKING PROACTIVE STEPS TO ENHANCE ITS ATTRACTIVENESS. WE'VE TAKEN BOLD, MARKET-OPENING MEASURES, PARTICULARLY IN THE OFFERING OF INCENTIVES IN SOME AREAS WITHIN THE IDR; WITH THE AIM OF ATTRACTING INVESTMENTS IN AREAS SUCH AS PROPERTY DEVELOPMENT, FINANCIAL SERVICES, LOGISTICS, HEALTHCARE AND CREATIVE INDUSTRIES. THERE ARE ALSO A NUMBER OF KEY INITIATIVES IN THE LEISURE AND TOURISM SEGMENT THAT WE BELIEVE WILL COMPLEMENT OUR NEIGHBOURS' TOURISM INITIATIVES.

19. THE SETTING UP OF MULTINATIONAL BUSINESSES IN THE IDR AND ITS PROXIMITY TO SINGAPORE SUGGESTS AN EXCITING DEVELOPMENT: NAMELY, THE RISE OF A NEW REGIONAL METROPOLIS IN ASIA. IF HONG KONG AND SHENZHEN SYMBOLISE THE GATEWAY INTO NORTH ASIA, SINGAPORE AND IDR REPRESENT THE COSMOPOLITAN ACCESS POINT TO ASEAN AS WELL AS THE CROSSROAD BETWEEN INDIA AND CHINA. THIS HAS TREMENDOUS SIGNIFICANCE TO THE GLOBAL SERVICES INDUSTRIES, PARTICULARLY IN THE CONTEXT OF THE CHINA+1 OR INDIA+1 STRATEGY.

20. OUR BRIDGE-BUILDING IS NOT LIMITED TO ASIA ALONE. VIRTUAL BRIDGES ARE RAPIDLY BEING BUILT BETWEEN THIS PART OF THE WORLD AND THE MIDDLE EAST. LATE LAST MONTH, THE IDR RECEIVED INITIAL INVESTMENTS WORTH 1.2 BILLION U.S. DOLLARS BY A CONSORTIUM FROM THE GULF STATES. THIS IS A TREMENDOUS VOTE OF CONFIDENCE AND A SIGN OF GREATER INFLOWS FROM THE MIDDLE EAST IN THE FUTURE.

21. AS THE CEO OF MALAYSIA, THE TEMPTATION IN THESE GATHERINGS IS TO BE THE COUNTRY'S SALESPERSON. BUT THAT HAS NOT BEEN MY INTENTION. RATHER, MY AIM IS TO SHARE WITH YOU SOME OF OUR APPROACHES AND THINKING BEHIND THE BIG QUESTION OF ACHIEVING MALAYSIA'S NATIONAL DEVELOPMENT ASPIRATIONS. MOVING UP THE VALUE CHAIN AND SPREADING DEVELOPMENT TO ALL CORNERS IS AN EXTREMELY COMPLEX UNDERTAKING, BUT I AM CONFIDENT THAT WE HAVE TAKEN THE RIGHT TACK. FOR MALAYSIA, AND SOUTHEAST ASIA, THESE ARE INDEED EXCITING TIMES.

22. I HOPE THAT YOU WILL HAVE THE OPPORTUNITY TO SEE THE CHANGES, ESPECIALLY IN MALAYSIA. THIS NOVEMBER, MALAYSIA WILL HOST THE 'FORBES ASIA FABULOUS 50 AND BUSINESSMAN OF THE YEAR AWARD', WHERE THE 50 BIGGEST COMPANIES IN THE ASIA PACIFIC ARE RECOGNISED AND THE BUSINESSMAN OF THE YEAR IS NAMED. I HOPE TO SEE YOU THERE.

23. THANK YOU, LADIES AND GENTLEMEN. I LOOK FORWARD TO YOUR QUESTIONS.