

**SPEECH BY  
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI  
AT THE SEMINAR ON "MALAYSIA'S DEVELOPMENT SINCE INDEPENDENCE  
AND THE NATION'S ASPIRATION"  
AT PUSAT DAGANGAN DUNIA PUTRA (PWTC), KUALA LUMPUR  
16 AUGUST 2007**

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BISMILLAHIR RAHMANIR RAHIM

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH DAN SALAM SEJAHTERA

YB MENTERI-MENTERI

AHLI-AHLI YANG BERHORMAT

PEGAWAI-PEGAWAI TINGGI KERAJAAN

YBHG. DATUK SULAIMAN MAHBOB  
KETUA PENGARAH, UNIT PERANCANG EKONOMI

DISTINGUISHED GUESTS

LADIES AND GENTLEMEN

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

2. AS I STAND HERE THIS MORNING, REFLECTING UPON MALAYSIA'S 50 YEARS AS AN INDEPENDENT NATION, I WONDER WHETHER OUR FOUNDING FATHERS EVER HAD THE LUXURY OF PAUSING TO REFLECT ON THE ENORMITY OF THE CHALLENGES THAT STOOD BEFORE THEM.

3. THAT WE ARE HERE TODAY, AT THE 50TH YEAR OF OUR NATIONHOOD, IS A SMALL MIRACLE BORNE OUT OF THE DETERMINATION OF OUR LEADERS, AND OF THE HARD WORK AND PRAYERS OF OUR PEOPLE. LET US NOW KEEP ON WORKING HARD AND ASK FOR HIS GUIDANCE, SO THAT THE NEXT 50 YEARS OF MALAYSIA'S FUTURE WILL BE PAVED WITH SUCCESS AND PROSPERITY, AS GLORIOUS AS THE FIRST 50 YEARS HAVE BEEN SO FAR.

LADIES AND GENTLEMEN

4. IN THE GRAND SWEEP OF HISTORY, 50 YEARS IS A VERY SHORT TIME. AFTER ALL, THE RISE AND FALL OF CIVILISATIONS IS PLAYED OUT OVER THE COURSE OF CENTURIES. WHEN MEASURED IN THE COURSE OF HUMAN HISTORY, 1957 SEEMS LIKE A BLINK OF AN EYE AGO.

5. AND YET MUCH HAS HAPPENED SINCE THEN. WE HAVE BUILT A SHINING NATION ON THE REMNANTS OF COLONIAL OPPRESSION. WE HAVE PLANTED THE SEEDS OF PROSPERITY, AND WE ARE NOW ENJOYING THE FRUITS OF OUR FOREFATHERS' LABOUR. MOST IMPORTANTLY, WE HAVE BROUGHT TOGETHER A DIVERSE NATION, IMBUED WITH THE SPIRIT OF MUHIBBAH AND UNITED IN THE PURSUIT OF A SHARED VISION.

6. MUCH OF THIS SEEMED IMPROBABLE, BACK IN 1957. WE WERE POOR: MORE THAN 50 PERCENT OF THE POPULATION LIVED BELOW THE POVERTY LINE. WE WERE ALSO VULNERABLE: 80 PERCENT OF OUR ECONOMY THEN WAS BASED ON EXPORTS OF JUST TWO COMMODITIES, NAMELY TIN AND RUBBER. AND WE WERE DEEPLY DIVIDED: MALAYS, CHINESE, INDIANS AND OTHERS LIVED THEIR OWN SEPARATE LIVES.

7. MALAYSIA IN 1957 WAS ALSO A COUNTRY UNDER SIEGE. OVER THE COURSE OF OUR FORMATIVE YEARS, WE WERE FACED WITH A COMMUNIST INSURRECTION, AS WELL AS THE THREAT OF MILITARY CONFRONTATION. THESE CONFLICTS THREATENED TO TEAR THE COUNTRY APART, AND SOMETIMES VERY NEARLY DID. BUT INSTEAD, WE SAILED THROUGH THE STORM, AND INTO THE SAFE HARBOUR OF WHAT IS NOW MODERN MALAYSIA.

8. TODAY, WHILE THERE ARE STILL MANY AREAS FOR IMPROVEMENT, WE CAN BE PROUD OF WHAT WE HAVE ACHIEVED. MALAYSIA HAS BEEN TRANSFORMED INTO A PROSPEROUS AND CONFIDENT NATION. WE HAVE REGISTERED A STRONG 6.5 PERCENT OF ANNUAL GROWTH IN GROSS DOMESTIC PRODUCT (G.D.P.) IN THE LAST FIVE DECADES. INCOMES HAVE RISEN CONSIDERABLY IN 50 YEARS.

9. MORE IMPORTANTLY, WE HAVE SUCCEEDED IN ENSURING THAT GROWTH WAS ACHIEVED IN AN EQUITABLE WAY. MALAYSIA HAS SUCCEEDED IN DRIVING DOWN POVERTY TO 5.7 PERCENT, FROM OVER 50 PERCENT AT INDEPENDENCE. THIS ACHIEVEMENT HAS MADE MALAYSIA ONE OF THE WORLD'S MOST IMPRESSIVE CASE STUDIES FOR POVERTY ERADICATION.

10. JUST AS IMPORTANT, THESE RESOUNDING ACHIEVEMENTS HAVE BEEN MADE WITHIN THE CONTEXT OF A COMPETITIVE ECONOMY. TRADE HAS SURPASSED THE ONE TRILLION RINGGIT MARK, AND OUR FINANCIAL MARKETS ARE VIBRANT AND RESILIENT. OUR FOREIGN RESERVES ARE NEARING 100 BILLION U.S. DOLLARS.

11. OUR ACHIEVEMENTS HAVE ALSO BEEN ACKNOWLEDGED IN WORLD RANKINGS OF COMPETITIVENESS. THE WORLD ECONOMIC FORUM RANKS MALAYSIA 4TH IN ASIA, AFTER JAPAN, HONG KONG AND SINGAPORE IN ITS BUSINESS COMPETITIVENESS INDEX. OVERALL, MALAYSIA WAS RANKED 20TH IN A FIELD OF 125 ECONOMIES.

LADIES AND GENTLEMEN

12. THE MALAYSIAN EXPERIENCE IS BY NO MEANS TYPICAL. WHILE WE CONTINUE TO ASPIRE TO EVEN GREATER ACHIEVEMENTS, WE ARE ALSO HUMBLED BY THE EXPERIENCE OF MANY OF OUR FELLOW DEVELOPING COUNTRIES. SOME ARE STILL GRAPPLING WITH BASIC ISSUES OF POVERTY AND PUBLIC HEALTH; OTHERS ARE STILL MIRED IN WAR AND CONFLICT.

13. THAT MALAYSIA DID NOT DESCEND INTO CHAOS OF ITS OWN MAKING HAS BEEN NO ACCIDENT. OVER 50 YEARS, WE HAVE DILIGENTLY STEERED OUR WAY THROUGH THE STORMS AND TROUBLES. THE MALAYSIAN EXPERIENCE AS WE KNOW IT TODAY IS THE RESULT OF A DELIBERATE APPROACH TO DEVELOPMENT; A "MALAYSIAN WAY" FOR DEVELOPMENT, SO TO SPEAK.

14. IN MY MIND, THE "MALAYSIAN WAY" COMPRISES FOUR PRINCIPLES: FIRSTLY, POLITICAL STABILITY; SECONDLY, PRAGMATIC POLICY-MAKING; THIRDLY, FOCUS

ON CAPACITY BUILDING; AND FOURTHLY, COORDINATED EXECUTION. LET ME SHARE WITH YOU SOME OF MY THOUGHTS ON THESE PRINCIPLES.

15. FIRSTLY, THE MALAYSIAN EXPERIENCE WOULD HAVE BEEN IMPOSSIBLE WITHOUT THE BEDROCK OF POLITICAL STABILITY. FROM THE EARLY DAYS OF THE ALLIANCE, TO THE BARISAN NASIONAL OF TODAY, THE POLITICAL STABILITY OF MALAYSIA HAS BEEN BUILT ON THE FOUNDATIONS OF STRONG PARLIAMENTARY DEMOCRACY, RULE OF LAW, GENUINE POWER-SHARING, COMPROMISE AND TOLERANCE.

16. SECONDLY, THE MALAYSIAN EXPERIENCE HAS BEEN GUIDED BY PRAGMATIC POLICY-MAKING. MALAYSIA HAS NEVER BEEN IDEOLOGICAL ON THE ISSUE OF DEVELOPMENT. INDEED, WE HAVE BEEN MORE THAN HAPPY TO CO-OPT VARIOUS STRATEGIES, FROM ACROSS THE IDEOLOGICAL DIVIDE, TO FIT THE NEEDS OF THE TIMES.

17. FOR EXAMPLE, IN THE FIRST AND SECOND MALAYA PLANS AS WELL AS THE FIRST MALAYSIA PLAN, THE PRIMARY CONCERN WAS TO PUSH FOR DEVELOPMENT IN THE FACE OF FLUCTUATING GLOBAL PRICES OF RUBBER AND TIN.

18. WHILE THE FIRST MALAYSIA PLAN ALREADY IDENTIFIED UNEVEN INCOME DISTRIBUTION AS AN ISSUE, THE WAR AGAINST POVERTY AND INEQUALITY WAS ONLY TRULY TAKEN UP UNDER THE SECOND MALAYSIA PLAN. ALONGSIDE A NEW FOCUS ON GROWTH WITH EQUITY, WAS A COMMITMENT TOWARDS ECONOMIC DIVERSIFICATION AND EXPORT ORIENTATION THROUGHOUT THE 1970'S.

19. IN THE 1980'S, THE FOURTH AND FIFTH MALAYSIA PLANS PUSHED FOR GREATER INDUSTRIALISATION AS WELL AS ATTRACTING FOREIGN INVESTMENTS. THIS CULMINATED IN LIBERALISATION AND DEREGULATION IN THE LATE 1980'S, WHICH MADE MALAYSIA WELL-PLACED TO BENEFIT FROM THE RISE IN GLOBAL F.D.I. FLOWS IN THE MID-1990'S.

20. THE ONSET OF THE FINANCIAL CRISIS IN 1997 DEMONSTRATED OUR COURAGE UNDER FIRE, AS POLICY-MAKERS IMPOSED CAPITAL CONTROLS IN DEFIANCE OF I.M.F. PRESCRIPTIONS AND AGAINST BRODER GLOBAL OPINION. BY THE TURN OF THE CENTURY, MAINSTREAM ECONOMISTS CHANGED THEIR TUNE AND ACKNOWLEDGED MALAYSIA'S SUCCESS IN RESPONDING TO THE CRISIS. AS MALAYSIA EMBARKED ON ITS "PEACE-TIME RESTRUCTURING", THE EIGHTH MALAYSIA PLAN PLACED EMPHASIS ON INNOVATION AND KNOWLEDGE.

21. AS WE CAN SEE, MALAYSIAN POLICY-MAKERS HAVE NEVER BEEN BEHOLDEN TO ANY PARTICULAR ECONOMIC SCHOOL OF THOUGHT. WHAT HAS REMAINED CONSTANT HOWEVER, IS THE SINCERE ZEAL TO DO WHAT IS RIGHT FOR THE NATION.

22. THE THIRD PRINCIPLE RELATES TO MALAYSIA'S FOCUS ON CAPACITY BUILDING. OUR EXPENDITURE ON EDUCATION CONSISTENTLY EXCEEDS 20 PERCENT OF THE NATIONAL BUDGET ANNUALLY. WE HAVE ALSO INVESTED IN A COMPREHENSIVE NETWORK OF 1ST CLASS INFRASTRUCTURE. THIS STRONG FOCUS ON INFRASTRUCTURE AND HUMAN CAPITAL HAS YIELDED HIGH DIVIDENDS FOR MALAYSIA, AND WILL CONTINUE TO BE A KEY ENABLER FOR OUR FUTURE SUCCESS.

23. FOURTHLY AND LASTLY, THE MALAYSIAN EXPERIENCE WAS MADE POSSIBLE BY A STRONG FOCUS ON COORDINATED EXECUTION. THE MALAYSIAN GOVERNMENT HAS ALWAYS HAD A GOOD RELATIONSHIP WITH THE PRIVATE SECTOR. THROUGH THE CONCEPTS OF "MALAYSIA, INC." AND "SMART PARTNERSHIP", BOTH THE PUBLIC AS WELL AS PRIVATE SECTORS HAVE PLAYED THEIR OWN UNIQUE PARTS IN PROMOTING MALAYSIA'S DEVELOPMENT.

LADIES AND GENTLEMEN

24. OVER THE LAST 50 YEARS, THE "MALAYSIAN WAY" HAS SERVED US WELL. WE HAVE COME UP FROM VERY UNCERTAIN BEGINNINGS, AND WE ARE NOW MARCHING ONWARDS TOWARDS A MORE PROMISING FUTURE.

25. BUT WE CERTAINLY CANNOT REST ON OUR LAURELS. THERE ARE DARK CLOUDS GATHERING AHEAD, AS GLOBALISATION FORCES NATIONS TO BECOME MORE COMPETITIVE.

26. WITH NEW CHALLENGES, COMES THE NEED FOR NEW STRATEGIES. LAST YEAR, I PROPOSED A NATIONAL MISSION THAT CHARTS OUR WAY FORWARD. THE NATIONAL MISSION, WITH ITS 5 KEY THRUSTS, SERVES AS A COMPREHENSIVE FRAMEWORK FOR THE NINTH, TENTH, AND ELEVENTH MALAYSIA PLANS, TOWARDS VISION 2020, AND I BELIEVE THESE THRUSTS CAN SERVE US WELL BEYOND 2020. THE NATIONAL MISSION ALSO OUTLINES THE KEY CHALLENGES THAT MALAYSIA NEEDS TO ADDRESS OVER THE COMING YEARS.

27. I SHALL NOT SEEK TO DWELL ON THE SPECIFIC DETAILS OF THE NATIONAL MISSION. INSTEAD, ALLOW ME TO SHARE MY THOUGHTS ON SOME OF THE KEY ASPECTS OF THE NATIONAL MISSION WHICH I WISH TO DRAW TO YOUR ATTENTION.

28. FIRSTLY, I WISH TO EMPHASISE THAT THE NATIONAL MISSION PLACES A VERY STRONG FOCUS ON THE CONCEPT OF "VALUE ADD".

29. FROM AN ECONOMIC STANDPOINT, THE CONCEPT OF VALUE ADD MAKES REFERENCE TO THE NEED FOR MALAYSIA TO REAP THE MAXIMUM ECONOMIC VALUE OUT OF ITS LIMITED RESOURCES.

30. AN EASY EXAMPLE WOULD BE MALAYSIA'S INVOLVEMENT IN THE PALM OIL INDUSTRY. WE STARTED OUT AS A PRODUCER AND EXPORTER OF CRUDE PALM OIL. WE PROGRESSED LATER TOWARDS THE PRODUCTION OF VALUE-ADDED PRODUCTS SUCH AS VEGETABLE OILS AND FATS. NOW WE ARE MOVING ON TOWARDS EVEN GREATER VALUE-ADDED ACTIVITIES, INCLUDING IN THE AREAS OF AGRO-BASED INDUSTRIES AND AGRO-BIOTECHNOLOGY.

31. ANOTHER CASE IN POINT IS THE EVOLUTION OF THE CONCEPT OF HUMAN CAPITAL. A CENTURY AGO, "LABOUR" WAS VIEWED AS MERELY BEING ANOTHER FACTOR OF PRODUCTION. WELL INTO THE 20TH CENTURY, BUSINESS MANAGERS AND ECONOMIC THINKERS BEGAN TO THINK OF THEIR PERSONNEL IN TERMS OF "HUMAN RESOURCES", TO BE MANAGED AND MOTIVATED ACCORDINGLY.

32. IN THE 21ST CENTURY, WE NOW FIND THAT THE IDEA OF "LABOUR" HAS BEEN TRANSFORMED INTO THE CONCEPT OF "HUMAN CAPITAL" AS A CRITICAL INGREDIENT IN THE VALUE-CREATION PROCESS, AND AS A SOURCE OF

INNOVATION AND CREATIVITY.

33. BUT EVEN THIS IS NOT THE ENTIRE PICTURE. IN MY MIND, THE CONCEPT OF VALUE ADD IS NOT LIMITED ONLY TO THE MUNDANE REALITIES OF ECONOMICS.

34. AS A LEADER, I THINK OF MY TIME HERE AS PRIME MINISTER AS AN OPPORTUNITY FOR ME TO ADD VALUE TO THE CONTRIBUTIONS OF PAST LEADERS. AS MALAYSIANS, ALL OF US HAVE A RESPONSIBILITY TO ADD VALUE; TO DO THE BEST WE CAN IN THE ROLES THAT HAVE BEEN ALLOTTED TO US.

35. SECONDLY, I WOULD LIKE TO HIGHLIGHT HERE THE RENEWED ROLE OF THE PRIVATE SECTOR. AS I MENTIONED EARLIER, THIS IS NOT A NEW CONCEPT. WHERE THE NATIONAL MISSION DEPARTS FROM THE PREVIOUS NORM, IS IN THE PARTICIPATION OF PRIVATE SECTOR PLAYERS AS ACTIVE PARTNERS IN CATALYSING THE DEVELOPMENT PROCESS.

36. THIS IS THE CRUX OF THE RECENT PURSUIT OF GROWTH CORRIDORS – THE ISKANDAR DEVELOPMENT REGION IN SOUTH JOHOR, THE NORTHERN CORRIDOR ECONOMIC REGION, THE EAST COAST ECONOMIC REGION, AS WELL AS CORRIDORS IN SABAH AND SARAWAK.

37. WHILE THE GOVERNMENT CONTINUES TO PLAY ITS ROLE AS A FACILITATOR AND ENABLER OF ECONOMIC GROWTH, WE ARE NOW CALLING FOR PRIVATE INVESTORS TO INVEST IN BOTH HARD AS WELL AS SOFT INFRASTRUCTURE TO BOOST ECONOMIC GROWTH IN THE REGIONS. BY INVOLVING THE PRIVATE SECTOR, WE CAN ENSURE THAT THE NECESSARY INVESTMENTS WOULD BE MADE IN A WAY THAT IS COMMERCIALY VIABLE AND EFFICIENT.

38. THIS NEW APPROACH TO DEALING WITH THE PRIVATE SECTOR IS ALSO EVIDENT IN THE PRIVATE FINANCE INITIATIVE (P.F.I.) CONCEPT. THROUGH THIS APPROACH, PRIVATE SECTOR CONTRACTORS ARE INCENTIVISED TO ENSURE THAT CONSTRUCTION AND MAINTENANCE OF FACILITIES ARE DONE IN A COST-EFFECTIVE MANNER.

39. IN BOTH THE GROWTH CORRIDORS AND THE P.F.I. INITIATIVE, THE OBJECTIVE HAS BEEN TO TRANSFORM THE RELATIONSHIP BETWEEN GOVERNMENT AND THE PRIVATE SECTOR, PLAYING TO THEIR RESPECTIVE STRENGTHS AS PARTNERS IN THE DEVELOPMENT PROCESS.

40. THIRDLY AND FINALLY, I WOULD LIKE TO SAY A FEW WORDS ON THE TOPIC OF IMPLEMENTATION. IT IS A CLICHÉ OF THE TIMES TO SAY THAT WE HAVE GOOD POLICIES, BUT WE LACK IMPLEMENTATION. AS WITH ALL CLICHES, THERE IS ALWAYS A CERTAIN GRAIN OF TRUTH.

41. UNDER THE NINTH MALAYSIA PLAN, WE PAID CAREFUL ATTENTION TO THE NEED FOR IDENTIFYING THE RIGHT ECONOMIC STRATEGIES. I BELIEVE THAT WE HAVE SUCCEEDED IN DOING SO. BUT WE ALSO RECOGNISED THE NEED FOR EFFECTIVE IMPLEMENTATION. HENCE, WE IDENTIFIED THE NEED FOR EFFECTIVE IMPLEMENTATION AND GOVERNANCE AS THE 5TH THRUST OF THE NATIONAL MISSION.

42. TO A LARGE EXTENT, I BELIEVE THAT WE HAVE SUCCEEDED IN IMPROVING THE CAPABILITY FOR IMPLEMENTATION. THE PROJECTS UNDER THE NINTH MALAYSIA

PLAN ARE WELL UNDER WAY, WITH THE NATIONAL IMPLEMENTATION TASK FORCE (N.I.T.F.) ACTING AS THE CUSTODIAN FOR EFFECTIVE IMPLEMENTATION OF HIGH-IMPACT PROJECTS.

43. SUCCESSFUL IMPLEMENTATION IS A KEY PRE-REQUISITE FOR EFFECTIVE PLANNING. IN THIS RESPECT, THE GOVERNMENT IS COMMITTED TO ENSURING THAT THE IMPLEMENTATION OF THE NINTH MALAYSIA PLAN WILL PROCEED SMOOTHLY AND ACCORDING TO PLAN.

44. IF LAWS NEED TO BE CHANGED, THEN CHANGE THEM. NOTHING IS CAST IN STONE. AND WE SHOULD WORK HARD. THAT SHOULD BE OUR CULTURE.

THANK YOU. I WISH YOU ALL THE BEST.