

**SPEECH BY
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AT THE 13TH INTERNATIONAL CONFERENCE ON THE FUTURE OF ASIA
AT TOKYO, JAPAN
24 MAY 2005**

"DEEPENING COOPERATION TOWARDS A TRUE COMMUNITY"

EXCELLENCIES,

DISTINGUISHED PARTICIPANTS,

LADIES AND GENTLEMEN,

IT IS ONCE AGAIN MY PLEASURE TO ADDRESS THE NIKKEI CONFERENCE ON THE FUTURE OF ASIA. MY SINCERE THANKS GO TO THE ORGANISER, THE NIHON KEIZAI SHIMBUN, FOR THEIR GRACIOUS INVITATION. THIS IS THE 13TH YEAR OF THIS CONFERENCE, AND THE FOURTH TIME THAT I HAVE HAD THE PRIVILEGE TO SPEAK IN IT. I HAVE FOUND THIS TO BE AN IMPORTANT AND STIMULATING FORUM FOR THE DISCUSSION OF ASIAN, AND IN PARTICULAR EAST ASIAN AFFAIRS, AND I VALUE IT VERY MUCH. THERE CAN BE FEW TASKS MORE REWARDING FOR FUTURE GENERATIONS THAN DEEPENING THE COOPERATIVE TIES THAT BIND THE REGION TOGETHER. NIKKEI INCORPORATED SHOULD BE HIGHLY COMMENDED FOR ITS LONGSTANDING COMMITMENT TO HOSTING THIS IMPORTANT CONFERENCE AS A CONTRIBUTION TO THE FUTURE PEACE AND PROSPERITY OF ASIA.

LADIES AND GENTLEMEN,

2. LAST YEAR, I HIGHLIGHTED THREE CHALLENGES FACED BY THE PROCESS OF EAST ASIAN COMMUNITY BUILDING. FIRST, I EXPRESSED CONCERN ABOUT THE STATE OF RELATIONS AMONG SOME COUNTRIES, ESPECIALLY THOSE IN NORTHEAST ASIA. SECOND, I MADE THE OBSERVATION THAT SOME COUNTRIES HAD BECOME LESS THAN COMMITTED TO BOTH THE ASEAN AND THE ASEAN PLUS THREE PROCESS AS THE DRIVERS OF EAST ASIAN COMMUNITY BUILDING. THIRD, I ARGUED THAT FOR EAST ASIAN COMMUNITY BUILDING EFFORTS TO BE WIDELY SUPPORTED, GOOD POLICIES HAD TO BE ADOPTED AND PROPERLY EXECUTED.

3. I ENDED MY ADDRESS LAST YEAR WITH THESE WORDS: "IT IS MY DEEPEST WISH THAT WHEN WE GATHER AGAIN HERE IN TOKYO NEXT YEAR, WE WILL BE ABLE TO REPORT GOOD AND SOUND PROGRESS". IT IS GRATIFYING TO NOTE THAT SINCE WE MET LAST YEAR, RELATIONS BETWEEN CHINA AND JAPAN, AS WELL AS BETWEEN THE REPUBLIC OF KOREA AND JAPAN, ARE MUCH BETTER NOW. THIS IS WELCOME NEWS.

4. THE POSITIVE OUTLOOK IS ALSO REFLECTED ON THE ECONOMIC FRONT. OUR ECONOMIES HAVE GENERALLY TURNED IN HIGHLY RESPECTABLE PERFORMANCES, DESPITE UNCERTAINTIES ABOUT THE UNITED STATES DOLLAR AND ITS ECONOMY. INVESTMENT ACTIVITY HAS ALSO BEEN GOOD, INDICATING THAT HEALTHY ECONOMIC GROWTH CAN BE SUSTAINED OVER THE MEDIUM TERM. OUR CONCERNS LAST YEAR ABOUT RISING ENERGY PRICES SEEM TO BE ALLAYED TO SOME EXTENT. IF PRESENT TRENDS CONTINUE, WE WILL BE ABLE TO ENJOY ANOTHER YEAR OF SUSTAINED DEVELOPMENT AND PROGRESS FOR OUR PEOPLES. THIS POSITIVE SITUATION ON BOTH THE POLITICAL AND ECONOMIC FRONTS CAN

ONLY BENEFIT REGIONAL PEACE AND PROSPERITY.

LADIES AND GENTLEMEN,

5. I HAVE BEEN ASKED BY NIKKEI TO ADDRESS THREE SPECIFIC SETS OF QUESTIONS THIS AFTERNOON.

6. LET ME BEGIN BY ADDRESSING THE FIRST SET OF QUESTIONS WHICH CONCERNS WHAT MALAYSIA THINKS IS THE "IDEAL FORM" OF COMMUNITY. I COULD MAKE IT EASY FOR MYSELF AND JUST SAY THAT I REALLY DO NOT THINK THAT THERE IS SUCH A THING AS AN "IDEAL" COMMUNITY. OR I COULD SAY THAT IT IS SIMPLY ONE THAT IS PRAGMATIC AND WORKABLE. NIKKEI, HOWEVER, HAS ASKED SPECIFIC QUESTIONS, AND I MUST RESPOND.

7. NIKKEI HAS ASKED ME TO SAY WHICH OF THE EXISTING PROCESSES FOR REGIONAL COOPERATION IS BEST FOR ASIAN COMMUNITY BUILDING. IS IT THE ASEAN PLUS THREE PROCESS INVOLVING THE ASEAN COUNTRIES, JAPAN, CHINA AND SOUTH KOREA? IS IT THE EAST ASIA SUMMIT THAT ENGAGES, ADDITIONALLY, NEW ZEALAND, AUSTRALIA AND INDIA, FOR WHICH JAPAN HAS PROPOSED A COMPREHENSIVE ECONOMIC PARTNERSHIP? OR IS IT THE ASIA PACIFIC ECONOMIC COOPERATION PROCESS THAT EMBRACES TWENTY-ONE ECONOMIES, FOR WHICH A FREE TRADE AGREEMENT HAS BEEN PROPOSED BY THE UNITED STATES?

8. I PROPOSE TO DO THIS BY FIRST POINTING OUT THAT A "COMMUNITY", WHICH IS THE OBJECTIVE OF THE ASEAN PLUS THREE PROCESS, IS DIFFERENT FROM THE "COMPREHENSIVE ECONOMIC PARTNERSHIP" THAT HAS BEEN PROPOSED FOR THE EAST ASIA SUMMIT. IT IS ALSO QUITE DIFFERENT FROM THE "FREE TRADE AGREEMENT" WHICH HAS BEEN SUGGESTED FOR A.P.E.C. AN ECONOMIC PARTNERSHIP IS CONFINED TO COOPERATION IN ONLY ONE SPHERE, NAMELY THE ECONOMIC SPHERE. A TRADE AGREEMENT IS CONFINED TO AN EVEN NARROWER AREA, NAMELY TRADE. BUILDING A COMMUNITY, ON THE OTHER HAND, INVOLVES COOPERATION NOT ONLY IN THE ECONOMIC AND TRADE AREAS BUT IN EVERY MAJOR AREA OF HUMAN ACTIVITY, INCLUDING THE ECONOMIC, THE SOCIAL AS WELL AS THE POLITICAL.

9. THUS IF WE ARE ASKING WHICH OF THE THREE PROCESSES IS THE IDEAL FOR THE ASIAN COMMUNITY, THERE IS REALLY NO CONTEST. ONLY THE ASEAN PLUS THREE PROCESS SEEKS TO BUILD AN ASIAN COMMUNITY, OR TO BE MORE EXACT, AN EAST ASIAN COMMUNITY. IN THE WORDS OF THE EAST ASIA VISION GROUP REPORT AND THE EAST ASIA STUDY GROUP REPORT, THE ASEAN PLUS THREE PROCESS SEEKS TO BUILD AN "EAST ASIAN COMMUNITY OF PEACE, PROSPERITY AND PROGRESS". THE EAST ASIA SUMMIT PROCESS AND A.P.E.C HAVE A LARGER GEOGRAPHICAL FOOTPRINT IN TERMS OF PARTICIPATING COUNTRIES AND ECONOMIES. BUT THEY HAVE MUCH NARROWER AGENDAS. FUNDAMENTALLY IMPORTANT AS THE TWO ARE IN THEIR RESPECTIVE ROLES, THEIR PURPOSE IS NOT COMMUNITY BUILDING.

10. IN MY VIEW, A TRUE COMMUNITY GOES BEYOND MERE FUNCTIONAL COOPERATION. A TRUE COMMUNITY IS ONE IN WHICH THE NATIONS AND PEOPLES INVOLVED SHARE A SENSE OF COMMON IDENTITY AND COMMON STRATEGIC PURPOSE. THEY ALSO SUBSCRIBE TO A SET OF VALUES AND NORMS THAT THEY CONSIDER IMPORTANT AND COMMON TO ALL. THE COUNTRIES THAT COMPRISE A COMMUNITY WITH A COMMON IDENTITY, A COMMON STRATEGIC PURPOSE AND A SHARED SET OF VALUES CANNOT BE TOO DISSIMILAR. THEY USUALLY SHARE A

COMMON AND CONTIGUOUS GEOGRAPHICAL SPACE. THEY ARE BOUNDED BY STRONG ECONOMIC TIES. AND ABOVE ALL, THEY SHARE A COMMON SOCIO-CULTURAL BACKGROUND.

11. THESE ATTRIBUTES WE FIND, FOR INSTANCE, IN THE EUROPEAN COMMUNITY. INCREASINGLY, WE ALSO FIND IT IN SOUTHEAST ASIA AND EAST ASIA. COUNTRIES THAT ARE DISPARATE WILL FIND IT DIFFICULT TO COME TOGETHER AS A COMMUNITY. FOR INSTANCE, IT IS DIFFICULT TO VISUALIZE A COMMUNITY OF EUROPEAN AND AFRICAN NATIONS, OR EUROPEAN AND WEST ASIAN NATIONS. BUT WE CAN APPLY THE EUROPEAN LOGIC TO THE ASEAN REGION OR EAST ASIA.

12. A COMMUNITY DOES NOT MATERIALISE INSTANTLY IN ALL ITS COMPLETENESS. A COMMUNITY, ESPECIALLY ONE WHOSE SCALE IS GRAND AND WHOSE COVERAGE IS REGIONAL LIKE THE EAST ASIAN COMMUNITY, IS LITTLE MORE THAN A COLLECTIVE ASPIRATION UNTIL IT IS REALISED. IT HAS TO BE BUILT, LITERALLY BRICK BY BRICK, BY MANY HANDS OVER MANY YEARS AND SEVERAL DECADES. IT TAKES MUCH PERSEVERANCE AS WELL AS PATIENCE BEFORE A COHESIVE AND CREDIBLE COMMUNITY EMERGES. I WOULD VISUALIZE A TRUE COMMUNITY MORE AS AN ORGANISM TO BE CULTURED RATHER THAN AN ORGANISATION TO BE FORMED. THIS IS WHY I PREFER TO USE THE TERM 'COMMUNITY BUILDING', WHICH IS AN ON-GOING PROCESS, RATHER THAN 'COMMUNITY', WHICH IS AN OUTCOME.

13. INDEED ARCHITECTURE, INSTITUTIONS AND RULE BOOKS ARE IMPORTANT AND THEY MUST BE CREATED. BUT THEY MUST BE INTRODUCED GRADUALLY, AS THE COMMUNITY BECOMES STRONG IN SPIRIT AS WELL AS SUBSTANTIVE IN ECONOMIC, SOCIAL AND POLITICAL TERMS.

14. THIS FOR INSTANCE, IS THE EXPERIENCE OF ASEAN. IT IS AN EXPERIENCE WORTHY OF STUDY AND, PERHAPS, EMULATION. AFTER NEARLY FOUR DECADES OF SUSTAINED COOPERATION IN WHICH THE FOUNDATIONS OF THE COMMUNITY WERE PATIENTLY EXTENDED THROUGHOUT THE REGION, ASEAN WAS READY TO ARTICULATE ITS MODEL OF COMMUNITY IN THE BALI CONCORD II (TWO) OF 2003. THE ASEAN COMMUNITY WILL BE AN AMALGAM OF THREE COMMUNITIES, NAMELY AN ECONOMIC COMMUNITY, A SECURITY COMMUNITY AND A SOCIO-ECONOMIC COMMUNITY. THE COMING YEARS WILL BE DEVOTED TO REALISING THIS IDEA OF COMMUNITY, AND IT WILL BE REITERATED IN THE ASEAN CHARTER THAT WILL BE LAUNCHED IN DECEMBER THIS YEAR.

15. THE ORGANISERS OF THIS CONFERENCE HAVE ALSO ASKED ME HOW BEST THE MEMBERS OF A PROSPECTIVE COMMUNITY CAN COOPERATE TO BUILD WHAT THEY TERM "A TRUE COMMUNITY". AT THIS CONFERENCE LAST YEAR, I EMPHASISED THREE FUNDAMENTAL PREREQUISITES FOR SUCCESSFUL COMMUNITY BUILDING IN EAST ASIA .

16. LET ME ELABORATE ON THESE THREE PREREQUISITES AND EMPHASISE AS WELL THE FOLLOWING SEVEN THINGS THAT WE OF THE EAST ASIAN COMMUNITY CAN DO.

17. FIRST, THE COMMUNITY THAT WE DESIGN AND BUILD MUST HAVE SOME COMMON ATTRIBUTES; OR ELSE WE CANNOT CALL OURSELVES A COMMUNITY. WE MUST CONTINUE TO WORK DILIGENTLY TOWARDS FOSTERING AND STRENGTHENING THESE COMMON ATTRIBUTES, SO THAT THE COMMUNITY TAKES SHAPE.

18. SECOND, WHILE WE WORK ON STRENGTHENING THESE COMMON ATTRIBUTES, WE MUST ALSO ALLOW FOR DIVERSITY. THE COMMUNITY WE BUILD MUST BE ABLE TO EMBRACE SUCH DIVERSITY. COMMUNITY DOES NOT MEAN UNIFORMITY AND HOMOGENEITY. OUR DIVERSITY SHOULD IN FACT BE CHERISHED. IT MUST BECOME OUR STRENGTH.

19. THIRD, WE CAN BEST BUILD OUR COMMUNITY BY ENSURING THAT IT RESTS ON A STRONG FOUNDATION OF EQUALITY, MUTUAL RESPECT AND CONSENSUS. A TRUE COMMUNITY CANNOT BE BUILT BY COMPULSION OR COERCION. THERE CANNOT BE THE HEGEMONY OF THE STRONG OVER THE WEAK.

20. FOURTH, COUNTRIES MUST ACT TO BUILD CONFIDENCE AND TRUST. WE MUST WORK HARD TO FREE OURSELVES FROM THE ANIMOSITIES OF THE PAST. WE MUST BELIEVE IN A COMMUNITY THAT IS BUILT ON COOPERATING FOR PEACE RATHER THAN ON THE BALANCING OF POWER.

21. FIFTH, IT IS ESSENTIAL THAT COUNTRIES HAVE A GENUINE DESIRE TO SHARE AND LEARN. SOCIALISATION OR "GROUP NORMING" IS AN EXTREMELY IMPORTANT ASPECT OF COMMUNITY BUILDING. WE MUST SEEK TO ENRICH EACH OTHER, NOT TO IMPOSE ONE'S CULTURE AND VALUES ON THE OTHERS.

22. SIXTH, WE MUST RECOGNISE THAT TRUE COMMUNITY IS NOT ABOUT FORM BUT OF FUNCTION, AND THAT FUNCTION ITSELF MUST BE SUBSERVIENT TO THE ULTIMATE GOAL OF COMMUNITY BUILDING AND FRIENDSHIP. A COMMUNITY IS ONLY AS GOOD AS THE QUALITY OF THE RELATIONSHIPS THAT EXIST AMONGST ITS MEMBERS.

23. SEVENTH, THE MEMBERS OF A COMMUNITY MUST BE ABLE TO PRODUCTIVELY ENGAGE AND COOPERATE WITH COUNTRIES OUTSIDE THE COMMUNITY. ANY TENDENCY TOWARDS BECOMING CLOSED OR CREATING "BLOCS" SHOULD BE AVOIDED AT ALL COSTS. COMMUNITIES LIKE THE EAST ASIAN COMMUNITY SHOULD BE WELL INTEGRATED INTO THE GLOBAL POLITICAL, ECONOMIC AND SECURITY SYSTEMS.

LADIES AND GENTLEMEN,

24. THE BEDROCK OF MALAYSIAN FOREIGN POLICY IS ASEAN. WE ARE CONVINCED THAT ASEAN HAS LED TO BEHAVIOUR THAT REDUCES RISKS TO OUR SECURITY AT THE BILATERAL AND REGIONAL LEVEL. OUR WHOLEHEARTED COMMITMENT EXTENDS ALSO TO THE STRUCTURES BUILT AROUND ASEAN. THEY INCLUDE THE ASEAN PLUS ONE, THE ASEAN PLUS THREE, THE ASEAN REGIONAL FORUM, AND, MOST RECENTLY, THE EAST ASIA SUMMIT PROCESSES. MALAYSIA WOULD LIKE TO PLAY AN IMPORTANT AND CONSTRUCTIVE ROLE IN EVERY ORGANISATION AND PROCESS THAT IT PARTICIPATES IN.

25. WITH REGARD TO EAST ASIAN COMMUNITY BUILDING, WE RECOGNISE THAT THE PRIMARY VEHICLE SHOULD BE THE ASEAN PLUS THREE PROCESS. THIS DOES NOT MAKE THE EAST ASIA SUMMIT OR A.P.E.C ANY LESS IMPORTANT TO US, ONLY THAT THEY SERVE DIFFERENT PURPOSES. THE EAST ASIA SUMMIT IS AN IMPORTANT FORUM FOR CONDUCTING DIALOGUE AND FORGING COOPERATION BETWEEN THE COUNTRIES OF THE EAST ASIAN COMMUNITY AND THEIR MOST IMPORTANT PARTNERS IN DEVELOPMENT. A.P.E.C IS A TRANS-PACIFIC FORUM TO FOSTER TRADE AND ECONOMIC COOPERATION AMONG THE MEMBER ECONOMIES.

LADIES AND GENTLEMEN,

26. I WILL NOW TURN TO THE SECOND SET OF QUESTIONS WHICH RELATE TO MY THOUGHTS ON MALAYSIA AND A GLOBALISING WORLD, AND MALAYSIA'S POSITION AS A MUSLIM COUNTRY.

27. I VIEW THE ROAD THAT LIES AHEAD FOR MY COUNTRY AS AN ENORMOUSLY CHALLENGING ONE. WE HAVE TO RESPOND MORE EFFECTIVELY TO THE FORCES OF GLOBALISATION, MARKET LIBERALISATION AND INCREASED COMPETITION. WE ARE AWARE THAT WE CANNOT CONTINUE DOING THE SAME THINGS AND EXPECT THE SAME RESULTS. WE KNOW THAT WE HAVE TO RAISE OUR GAME BY MORE THAN A FEW NOTCHES. WE HAVE, IN FACT, TO BREAK NEW GROUND.

28. THE NINTH MALAYSIA PLAN NEATLY ENCAPSULATES OUR STRATEGIES. I HAVE INTRODUCED WHAT IS CALLED THE "NATIONAL MISSION". IT REQUIRES THAT WE ATTAIN OUR STRATEGIC OBJECTIVE OF BECOMING A FULLY DEVELOPED COUNTRY BY 2020 BY PURSUING FIVE STRATEGIC THRUSTS. FIRST, TO MOVE THE ECONOMY UP THE VALUE ADDED CHAIN. SECOND, TO RAISE THE CAPACITY FOR KNOWLEDGE AND INNOVATION, AND NURTURE A "FIRST-CLASS" MENTALITY. THIRD, TO ADDRESS PERSISTENT SOCIO-ECONOMIC INEQUALITIES CONSTRUCTIVELY AND PRODUCTIVELY. FOURTH, TO IMPROVE THE STANDARD AND SUSTAINABILITY OF THE QUALITY OF LIFE. FIFTH, TO STRENGTHEN INSTITUTIONAL AND IMPLEMENTATION CAPACITY.

29. EACH ONE OF THESE STRATEGIC THRUSTS IS SUPPORTED BY A HOST OF COMPREHENSIVE PROGRAMMES AND PROJECTS. SOME OF THE MORE IMPORTANT INITIATIVES INCLUDE THE NATIONAL BIOTECHNOLOGY POLICY; THE CREATION OF NEW REGIONAL GROWTH CENTRES AND CORRIDORS SUCH AS THE ISKANDAR DEVELOPMENT REGION IN THE STATE OF JOHOR; AND THE ACCELERATION OF THE TRANSFORMATION OF GOVERNMENT-LINKED COMPANIES. RECENTLY I ANNOUNCED A SLEW OF LIBERALISATION MEASURES WITH RESPECT TO THE ISKANDAR DEVELOPMENT REGION. I URGE THE BUSINESS COMMUNITY IN JAPAN TO EXAMINE THEM CAREFULLY TO SEE HOW THEY CAN BE OF BENEFIT TO YOU.

30. THE NINTH MALAYSIA PLAN IS BUTTRESSED BY THE THIRD INDUSTRIAL MASTER PLAN. THIS PLAN INTRODUCES COMPLEMENTARY STRATEGIES TO ENHANCE MALAYSIA'S POSITION AS A TRADING NATION. IT SEEKS TO GENERATE INVESTMENT IN TARGETED GROWTH AREAS, AND TO INTEGRATE MALAYSIAN COMPANIES INTO REGIONAL AND GLOBAL NETWORKS. IT ALSO CONTAINS MEASURES TO FACILITATE THE DEVELOPMENT AND APPLICATION OF KNOWLEDGE-INTENSIVE TECHNOLOGIES AND THE DEVELOPMENT OF INNOVATIVE AND CREATIVE HUMAN CAPITAL. A CENTRAL FOCUS OF THE PLAN IS TO STRENGTHEN THE ROLE OF PRIVATE SECTOR INSTITUTIONS AND TO CREATE A MORE COMPETITIVE BUSINESS ENVIRONMENT.

31. YOU CAN CLEARLY SEE FROM THIS THAT THE DIRECTION WE ARE TAKING IS TOWARDS GREATER OPENNESS AND INTEGRATION OF OUR ECONOMY. THERE ARE STRUCTURAL ADJUSTMENTS THAT WE NEED TO MAKE, AND WE WILL CONTINUE TO GIVE SPECIAL ATTENTION TO THOSE OF OUR PEOPLE WHO ARE LEFT BEHIND. BUT WE DO NOT SEE GREATER PROTECTION AND PROTECTIONISM AS THE SOLUTION TO GLOBALISATION . THE PATH TO MALAYSIA'S FUTURE LIES FIRMLY IN DEVELOPMENT. SPECIFICALLY, IT LIES IN HUMAN CAPITAL DEVELOPMENT. OUR PEOPLE ARE OUR MOST PRECIOUS ASSET. THEY ARE THE KEY TO THE BUILDING OF A MORE PROSPEROUS NATION.

LADIES AND GENTLEMEN,

32. MALAYSIA IS A MUSLIM COUNTRY WITH A MULTICULTURAL POPULATION. EVERYTHING THAT MY COUNTRY IS DOING IS ALSO CONSISTENT WITH THE TEACHINGS OF ISLAM. INDEED, THE DEVELOPMENT OF THE HUMAN PERSON, WHICH IS MY PRIORITY CONCERN, IS ENJOINED UPON US BY THE RELIGION. THE OVERWHELMING IMPORTANCE WE ATTACH TO HUMAN DEVELOPMENT, JUSTICE, MODERATION, COOPERATION AND PEACE AT HOME AND IN OUR RELATIONS WITH OTHER COUNTRIES, IS THE ESSENCE OF ISLAM.

33. MALAYSIA ASPIRES TO BE A GOOD ROLE MODEL AND A CONSTRUCTIVE PLAYER IN THE MUSLIM WORLD AS WELL AS IN THE LARGER INTERNATIONAL COMMUNITY. I SEE MY MISSION IN THE MUSLIM WORLD, BOTH AS THE LEADER OF A MEMBER COUNTRY AS WELL AS THE CURRENT SUMMIT CHAIR OF THE ORGANISATION OF ISLAMIC CONFERENCE, AS ONE OF RESTORING THE CENTRALITY OF THE DEVELOPMENT OF THE HUMAN PERSON TO THE MUSLIM AGENDA. MUSLIMS NEED TO AVOID DIVERSION FROM THIS CENTRAL TASK BY DIVISIVE ISSUES THAT HAVE BROUGHT NEITHER PEACE NOR PROSPERITY TO SO MANY OF THEM.

34. MALAYSIA'S RELATIONS WITH THE LARGER INTERNATIONAL COMMUNITY ARE ALSO CONDITIONED BY THE VALUES AND PRINCIPLES OF ISLAM. THEY INCLUDE PEACE, MODERATION, RELIANCE UPON CONSULTATION, UPHOLDING JUSTICE, RESPECTING THE RULE OF LAW, AND HELPING THE WEAK AND THE POOR. I BELIEVE THESE VALUES AND PRINCIPLES ARE FULLY IN HARMONY WITH THE BEST PRACTICES OF THE INTERNATIONAL COMMUNITY.

35. INDEED, IT IS MY FIRM AND UNSHAKEABLE CONVICTION IN THESE VALUES AND PRINCIPLES THAT LED ME TO INTRODUCE THE CONCEPT OF ISLAM HADHARI OR "CIVILISATIONAL ISLAM" TO MY FELLOW MALAYSIANS. THIS IS NOT A NEW INTERPRETATION OF ISLAM. IT IS AN ASSERTION OF THE CORE VALUES AND NOBLE PRINCIPLES OF THE RELIGION, WHICH CAN HELP THE MUSLIM COMMUNITY PROGRESS IN THE MODERN WORLD.

36. MALAYSIA HAS ALSO BEEN AT THE FOREFRONT IN MAKING INNOVATIONS IN THE WORLD OF ISLAMIC FINANCE. BY OFFERING SHAR'IA-BASED AND SHAR'IA-COMPLIANT FINANCIAL INSTRUMENTS, MUSLIM AND NON-MUSLIM INVESTORS ALIKE HAVE THE CHOICE TO ACCESS PRODUCTS CONSISTENT WITH ETHICAL AND BEST PRACTICES. IN THE DEVELOPMENT OF THE HALAL PRODUCTS AND SERVICES, MALAYSIA IS AT THE SAME TIME ESTABLISHING STANDARDS THAT MEET MUSLIM RELIGIOUS REQUIREMENTS AS WELL AS THOSE WHICH NON-MUSLIMS MAY DESIRE FOR HEALTH AND OTHER PURPOSES. AGAIN, THE COMPATIBILITY OF ISLAMIC PRACTICES WITH MODERN LIFE IS AMPLY DEMONSTRATED.

37. ALLOW ME TO CLOSE BY RESPONDING, BRIEFLY, TO THE THIRD SET OF QUESTIONS POSED TO ME BY NIKKEI REGARDING MALAYSIA-JAPAN RELATIONS AND WHAT MALAYSIA EXPECTS OF JAPANESE INDUSTRY. INDEED, RELATIONS BETWEEN OUR TWO COUNTRIES OVER THE PAST FIFTY YEARS CAN ONLY BE DESCRIBED AS EXTREMELY GOOD AND FRUITFUL. I CANNOT, IN FACT, THINK OF ANY MAJOR INCIDENT THAT HAS STRAINED OUR RELATIONS OVER THIS PERIOD. IF YOU THINK ABOUT THIS, IT IS REALLY SOMETHING QUITE EXTRAORDINARY.

38. THE FIRST HALF OF THAT PERIOD WAS CHARACTERISED BY GOVERNMENT-TO-GOVERNMENT INTERACTIONS, MAINLY OFFICIAL DEVELOPMENT ASSISTANCE, AND

CAREFUL DIPLOMACY. WITH MALAYSIA'S ANNOUNCEMENT OF ITS 'LOOK EAST POLICY', BUSINESS AND SOCIAL INTERCOURSE OCCURRED WITH A GREAT DEAL MORE INTENSITY. THUS, IN THE 1980'S AND EARLY 1990'S, JAPAN EMERGED AS THE BIGGEST INVESTOR IN MALAYSIA. NOT ONLY JAPANESE MULTINATIONAL COMPANIES, BUT MEDIUM-SIZED CONCERNS AS WELL, WERE INVOLVED. THIS IMPACTED THE TRADE STRUCTURE BETWEEN THE TWO COUNTRIES, AND PORTFOLIO FLOWS ALSO INCREASED.

39. THE SIGNING OF THE JAPAN-MALAYSIA ECONOMIC PARTNERSHIP AGREEMENT IN DECEMBER 2005, HOWEVER, PROMISES TO BE A NEW MILESTONE IN OUR LONG-STANDING RELATIONSHIP. TARIFFS ON 97 PER CENT OF BILATERALLY TRADED GOODS WILL BE ELIMINATED. A FRAMEWORK HAS BEEN MADE AVAILABLE FOR THE EXPANSION OF TRADE, NOT JUST FOR PRODUCTS BUT ALSO FOR AN INCREASING NUMBER OF SERVICES. IT WILL BE A GREAT PITY IF AFTER ALL THE HARD WORK PUT IN BY BOTH SIDES, THE PRIVATE SECTORS OF THE TWO COUNTRIES DO NOT FULLY UTILISE ITS PROVISIONS. THIS IS WHY I AM SO PLEASED TO HEAR THAT ACCORDING TO A J.E.T.R.O SURVEY CONDUCTED EARLIER THIS MONTH, JAPANESE MANUFACTURERS HAVE IDENTIFIED MALAYSIA AS ONE OF THE COUNTRIES WITH THE HIGHEST GROWTH POTENTIAL IN THE NEXT TWO YEARS. I INVITE JAPAN TO SHARE FULLY IN THE OPPORTUNITIES, AND BE A PART OF OUR FUTURE.

LADIES AND GENTLEMEN,

40. THE YEAR 2007 IS THE ANNIVERSARY OF A NUMBER OF EVENTS. MALAYSIA CELEBRATES 50 YEARS OF INDEPENDENCE. AT THE SAME TIME, IT IS THE ANNIVERSARY OF 50 YEARS OF DIPLOMATIC RELATIONS WITH JAPAN. 2007 ALSO MARKS THE TENTH ANNIVERSARY OF EAST ASIAN COOPERATION. WE CONTINUE TO REMEMBER JAPAN'S EFFORT TO ASSIST THE EAST ASIAN ECONOMIES THAT WERE AFFECTED BY THE FINANCIAL CRISIS IN 1997. IT CULMINATED IN THE NEW MIYAZAWA INITIATIVE A YEAR AFTER THAT. WE RECALL THAT, AT THAT TIME, JAPAN WAS ITSELF STRUGGLING WITH ITS OWN INTERNAL FINANCIAL PROBLEMS, AND THAT IT TOO HAD SUFFERED FROM THE ASIAN FINANCIAL CRISIS, ALBEIT TO A LESSER DEGREE.

41. YET JAPAN CAME FORWARD TO ASSIST ITS LESS FORTUNATE NEIGHBOURS IN THE REGION. IN THIS CONNECTION, I RECALL THE PROFOUND STATEMENT OF ONE FORMER ASEAN LEADER WHEN HE MADE THE OBSERVATION THAT THE OTHER ADVANCED COUNTRIES HAD WORDS WHICH SPOKE LOUDER THAN THEIR ACTIONS, WHILE JAPAN'S ACTIONS SPOKE LOUDER THAN ITS WORDS. WE DO REMEMBER JAPAN, WITH GRATITUDE.

42. IT IS MY EARNEST HOPE THAT WHEN WE MEET AGAIN NEXT YEAR, WE WILL BE ABLE TO SAY THE SAME THING WITH RESPECT TO ALL COUNTRIES THAT ARE INVOLVED IN THE EFFORT TO BUILD AN EAST ASIAN COMMUNITY OF PEACE, PROSPERITY AND PROGRESS.

LADIES AND GENTLEMEN, I THANK YOU.