

**SPEECY BY
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE N.C.C.I.M. GRAND DINNER 2007
AT CROWNE PLAZA MUTIARA HOTEL, KUALA LUMPUR
28 NOVEMBER 2007**

BISMILLAHIR RAHMANIR RAHIM

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH AND GOOD EVENING

YBHG TUAN SYED ALI MOHAMED ALATTAS
PRESIDEN, DEWAN PERNIAGAAN DAN INDUSTRI KEBANGSAAN MALAYSIA
(N.C.C.I.M.)

AHLI-AHLI EXCO N.C.C.I.M.

DIF-DIF KEHORMAT

TUAN-TUAN DAN PUAN-PUAN YANG SAYA HORMATI SEKELIAN

1. ALHAMDULILLAH, SAYA BERSYUKUR KE HADRAT ILLAHI KERANA DENGAN IZIN DAN LIMPAH KURNIANYA, KITA DAPAT BERSAMA-SAMA HADIR DI MAJLIS MAKAN MALAM DEWAN PERNIAGAAN DAN INDUSTRI KEBANGSAAN MALAYSIA (N.C.C.I.M.) PADA MALAM INI.

2 SAYA BERBESAR HATI KERANA DIBERI PELUANG UNTUK BERUCAP KEPADA BARISAN AHLI PERNIAGAAN DAN PENGURUSAN KANAN SYARIKAT-SYARIKAT TERPENTING DI MALAYSIA. KEHADIRAN SAUDARA-SAUDARI DI MAJLIS INI MENCERMINKAN SIKAP PERKONGSIAN DAN KERJASAMA ERAT YANG WUJUD ANTARA MASYARAKAT PERNIAGAAN DI NEGARA INI YANG BERBILANG-KAUM. IA JUGA MENCERMINKAN KERJASAMA YANG ERAT ANTARA SEKTOR AWAM DAN SEKTOR SWASTA DALAM MEMPERKUKUHKAN PEMBANGUNAN SEKTOR PERNIAGAAN DAN INDUSTRI DI NEGARA INI.

LADIES AND GENTLEMEN,

3. AS ALL OF YOU ARE OF COURSE AWARE, MALAYSIA CELEBRATES ITS 50TH ANNIVERSARY OF INDEPENDENCE THIS YEAR. AS A MATURING NATION, WE HAVE MUCH TO BE PROUD OF, AS WE CONSIDER THE SUCCESSES AND ACHIEVEMENTS THAT WE HAVE ATTAINED IN JUST A SHORT PERIOD OF TIME. ALREADY, WE HAVE SUCCESSFULLY EVOLVED FROM A TRADITIONAL AGRARIAN NATION TO A MANUFACTURING AND INDUSTRIAL ECONOMY. WE NOW STAND POISED TO MAKE THE LEAP TOWARDS BECOMING A KNOWLEDGE-BASED ECONOMY AND A DEVELOPED NATION BY THE YEAR 2020.

4. MOST IMPORTANTLY, OUR RAPID JOURNEY TOWARDS THIS POINT HAS NOT BEEN AT THE EXPENSE OF ANY ETHNIC OR SOCIAL GROUP. INSTEAD, ALL SEGMENTS OF SOCIETY HAVE BENEFITTED AND HAVE ENJOYED THE FRUITS OF ECONOMIC PROGRESS IN AN ENVIRONMENT OF PEACE AND TOLERANCE. GIVEN OUR COLONIAL HISTORY AND THE MULTI-ETHNIC, MULTI-RELIGIOUS NATURE OF THIS COUNTRY, THIS ACHIEVEMENT IS NOTHING TO BE SCOFFED AT. CERTAINLY,

IT IS NOT SOMETHING THAT WE SHOULD TAKE FOR GRANTED OR DISREGARD AS WE CONTINUE TO DEVELOP AS A COUNTRY.

5. MY GOVERNMENT CONTINUES TO LISTEN TO ALL SOCIAL AND ECONOMIC INTEREST GROUPS, INCLUDING THE PRIVATE SECTOR BUSINESS COMMUNITY. WE BELIEVE THIS TO BE PIVOTAL TO IMPLEMENT THE BEST POLICIES TO SPUR MALAYSIA'S DEVELOPMENT TO GREATER HEIGHTS. NEVERTHELESS, IN MANY INSTANCES THIS REQUIRES A FINE CALIBRATION BETWEEN COMPETING INTERESTS. WHILE THIS MAY BE DIFFICULT, FOR THE BEST INTERESTS OF ALL MALAYSIANS, MY GOVERNMENT REMAINS UP TO THE CHALLENGE.

LADIES AND GENTLEMEN,

6. LIKE MALAYSIA, THE N.C.C.I.M. HAS ALSO DEVELOPED BY LEAPS AND BOUNDS. ESTABLISHED IN 1962 AND RESTRUCTURED IN 1974, THE N.C.C.I.M. IS NOW AN UMBRELLA ORGANISATION GROUPING FIVE PRINCIPAL MALAYSIAN PRIVATE SECTOR ORGANISATIONS CONCERNED WITH COMMERCE AND INDUSTRY. THE N.C.C.I.M.'S OBJECTIVE IS TO PROMOTE MALAYSIAN EXPORTS AND INVESTMENTS ABROAD, AS WELL AS HELP DEVELOP A CONDUCIVE BUSINESS CLIMATE FOR FOREIGN INVESTORS. THE N.C.C.I.M. THUS PLAYS A CRITICAL ROLE IN HELPING TO CONSOLIDATE MALAYSIA'S POSITION AS A DYNAMIC ECONOMY AND AN EXCELLENT INVESTMENT LOCATION.

7. I AM MADE TO UNDERSTAND THAT THE N.C.C.I.M. HAS JUST ELECTED A NEW PRESIDENT —TUAN SYED ALI MOHAMED ALLATAS. I HOPE THE NEW LEADERSHIP WILL CONTINUE TO STEER THE N.C.C.I.M. INTO BECOMING A MORE MEANINGFUL AND DYNAMIC CHAMBER. WE WOULD LIKE TO SEE THE N.C.C.I.M. CONTINUE TO REPRESENT AND PUT FORWARD THE VIEWS AND INTERESTS OF THE MALAYSIAN BUSINESS COMMUNITY, FOR OUR MUTUAL BENEFIT.

8. JUST TWO WEEKS AGO, THE N.C.C.I.M. SUCCESSFULLY ORGANISED THE MALAYSIA-URUGUAY BUSINESS FORUM WHICH WAS HELD IN CONJUNCTION WITH THE STATE VISIT OF THE PRESIDENT OF URUGUAY. I SEE THIS AS YET ANOTHER WAY IN WHICH THE N.C.C.I.M. CAN SERVE THE INTEREST OF THE MALAYSIAN BUSINESS COMMUNITY. IN THE FUTURE, I WOULD LIKE TO SEE THE N.C.C.I.M. BECOME INVOLVED IN MORE EVENTS OF A SIMILAR NATURE.

LADIES AND GENTLEMEN,

9. THE MALAYSIAN ECONOMY HAS BEEN GROWING OVER THE PAST FIFTY YEARS AT A STRONG AVERAGE RATE OF 6.3 PER CENT PER ANNUM. TODAY, MALAYSIA IS ONE OF THE MOST COMPETITIVE ECONOMIES IN THE WORLD, RANKED 23rd IN THE WORLD ACCORDING TO I.M.D.. MALAYSIA IS ALSO ONE OF THE MOST OPEN ECONOMIES, BEING AMONG THE WORLD'S TOP TWENTY TRADING NATIONS.

10. IN THE MANUFACTURING SECTOR, MALAYSIA CAN BE CONSIDERED A SOLID PERFORMER IN THE PRODUCTION AND EXPORT OF PALM OIL, RUBBER, ELECTRICAL AND ELECTRONICS COMPONENTS, AND WOOD FURNITURE. IN THE SERVICES SECTOR, TOO, MALAYSIA IS WELL KNOWN IN THE FIELDS OF CONSTRUCTION, OIL AND GAS, EDUCATION, TOURISM AND HEALTHCARE. IN SHARED SERVICES AND OUTSOURCING FOR THE I.C.T. SECTOR, MALAYSIA HAS BEEN RANKED AS THE THIRD MOST ATTRACTIVE GLOBAL LOCATION.

11. I AM ALSO PLEASED TO SAY THAT MALAYSIA IS ON A POSITIVE GROWTH TRAJECTORY, AS INDICATED BY THE THIRD-QUARTER 2007 G.D.P. GROWTH FIGURES RELEASED TODAY. REAL G.D.P. GREW BY 6.7 PER CENT IN THE THIRD-QUARTER OF 2007 COMPARED TO 5.5 PER CENT AND 5.8 PER CENT IN THE FIRST AND SECOND QUARTERS, RESPECTIVELY. THIS IS THE HIGHEST QUARTERLY GROWTH RATE ACHIEVED SINCE 2004.

12. THE GROWTH HAS BEEN BROAD-BASED WITH POSITIVE GROWTH RATES BEING REGISTERED ACROSS ALL ECONOMIC SECTORS. THE SERVICES SECTOR, THE BIGGEST CONTRIBUTOR TO G.D.P., GREW BY 10.5 PER CENT COMPARED TO 9.4 PER CENT IN THE SECOND-QUARTER OF 2007, WITH THE REAL ESTATE AND BUSINESS SERVICES SUB-SECTORS CONTRIBUTING STRONGLY. MEANWHILE, THE MANUFACTURING SECTOR GREW BY 3.4 PER CENT COMPARED TO 1.5 PER CENT IN THE SECOND-QUARTER.

13. THESE ARE SIGNIFICANT ACHIEVEMENTS. HOWEVER, WE MUST NEVER REST ON OUR LAURELS. ALTHOUGH WE CONTINUE TO RAISE OUR PERFORMANCE, INDICATIONS ARE THAT OTHER ECONOMIES IN THE REGION ARE OUTPACING US. THEREFORE, WE MUST DOUBLE OUR EFFORTS AND WORK SMARTER TO ACHIEVE OUR ASPIRATIONS.

14. I BELIEVE THERE IS MUCH MORE THAT WE CAN DO TO ENHANCE MALAYSIA'S ECONOMIC PERFORMANCE AND COMPETITIVENESS. CRITICAL TO THIS ARE EFFORTS TO IMPROVE MALAYSIA'S BUSINESS CLIMATE FOR INVESTORS AND TO MAKE OUR COMPANIES MORE COMPETITIVE TO PENETRATE THE GLOBAL MARKET.

15. AS PART OF MEASURES TO IMPROVE THE BUSINESS CLIMATE, MY GOVERNMENT IS TAKING PROGRESSIVE STEPS TOWARD LOWERING THE COST OF DOING BUSINESS IN THE COUNTRY. AMONG OTHERS, WE HAVE BEGUN TO GRADUALLY REDUCE THE CORPORATE TAX RATE TO 25 PER CENT BY 2009. WE HAVE ALSO INSTITUTED VARIOUS TAX REFORMS AND SIMPLIFIED TAX COLLECTION PROCESSES.

16. FURTHERMORE, MY GOVERNMENT HAS ALSO INITIATED THE "SPECIAL TASK FORCE TO FACILITATE BUSINESS" (PEMUDAH) WHICH IS RESPONSIBLE TO ENHANCE GOVERNMENT SERVICES DELIVERY AND REDUCE BUREACRACY. PEMUDAH HAS ALREADY INTRODUCED SEVERAL SWEEPING IMPROVEMENTS IN A NUMBER OF AREAS THAT BENEFIT THE BUSINESS COMMUNITY, NOT LEAST OF WHICH ARE COST AND TIME SAVINGS.

17. MOREOVER, THE RECENTLY LAUNCHED REGIONAL ECONOMIC DEVELOPMENT CORRIDORS IS AN ATTEMPT BY MY GOVERNMENT TO BRING DEVELOPMENT TO ALL PARTS OF MALAYSIA. WE HOPE THAT IT WILL ALSO PROVIDE MORE INVESTMENT OPPORTUNITIES FOR DOMESTIC AND FOREIGN INVESTORS IN A VARIETY OF SECTORS, STRENGTHENING OUR ATTRACTIVENESS AS AN INVESTMENT LOCATION.

LADIES AND GENTLEMEN,

18. MY GOVERNMENT WILL TAKE EVERY EFFORT TO ENSURE A CONDUCIRE BUSINESS ENVIRONMENT IN THE COUNTRY. BUT IT IS THE PRIVATE SECTOR THAT MUST BE THE MAIN DRIVER OF ECONOMIC GROWTH. FOR THIS TO OCCUR, BUSINESSES MUST THEMSELVES BE WILLING TO ADAPT AND INNOVATE TO STAY AHEAD OF THE GAME.

19. IN TODAY'S HIGHLY COMPETITIVE GLOBALISED BUSINESS ENVIRONMENT, KNOWLEDGE AND INNOVATION ARE THE ULTIMATE AND DIRECT SOURCE OF COMPETITIVE ADVANTAGE, ALLOWING BUSINESSES TO DIFFERENTIATE THEMSELVES FROM COMPETITORS. UTILISATION OF COST-SAVING TECHNOLOGIES AND BUSINESS PROCESSES WILL ALSO ADD TO THE EFFICIENCY AND SUSTAINABILITY OF BUSINESSES.

20. LATEST STUDIES HAVE SHOWN THAT IN CERTAIN CIRCUMSTANCES BUSINESSES ARE ABLE TO ACHIEVE GREATER ECONOMIC GAINS BY COOPERATING AND COLLABORATING, COMPARED TO WORKING INDIVIDUALLY. THE TERM COOPERATIVE COMPETITION HAS BECOME COMMONPLACE. EXAMPLES OF THIS INCLUDE RIVAL COMPANIES 'MICROSOFT' AND 'APPLE' COLLABORATING ON ASPECTS OF SOFTWARE DEVELOPMENT AND CAR-MAKERS 'PEUGEOT' AND 'TOYOTA' COLLABORATING ON THE PRODUCTION OF A EUROPEAN CITY-CAR MODEL.

21. WHILE THIS SEEMS TO GO AGAINST THE NORM OF COMPETITION, I BELIEVE THE BUSINESS SECTOR IN MALAYSIA SHOULD DO THE SAME AND WORK TOWARDS THE GREATER SHARING OF KNOWLEDGE AND RESOURCES WITH THEIR PEERS. THIS WILL EXPAND TRADE AND COMMERCIAL OPPORTUNITIES AND BENEFIT ALL PARTIES.

22. THIS IS PARTICULARLY IMPORTANT FOR MALAYSIA TO PROMOTE NICHE INDUSTRIES SUCH AS ISLAMIC FINANCE, HALAL GOODS AND SERVICES, AND AGRICULTURAL BIOTECHNOLOGY TO THE REST OF THE WORLD. AS WE LACK SCALE, OUR ABILITY TO GAIN GLOBAL MARKET SHARE IS, TO A LARGE EXTENT, DEPENDENT UPON ESTABLISHING STRATEGIC ALLIANCES AND SMART PARTNERSHIPS WITH EACH OTHER OR WITH OUR COUNTERPARTS ABROAD. I VIEW NETWORKING PLATFORMS, SUCH AS THE N.C.C.I.M., AS PARTICULARLY USEFUL IN IDENTIFYING AND ESTABLISHING THESE POTENTIAL PARTNERSHIPS.

LADIES AND GENTLEMEN,

23. IN A COMPETITIVE GLOBAL ENVIRONMENT, IT IS CRITICAL THAT STRATEGIES TO CAPTURE MARKET PROMINENCE ARE PRIORITISED. I BELIEVE THAT THE TIME HAS COME FOR BUSINESSES TO SHIFT FROM THE TRADITIONAL TO THE UNTAPPED MARKETS.

24. FOR THE MAJORITY OF MALAYSIAN COMPANIES, THE ASEAN MARKETS ARE BOTH AN IDEAL DESTINATION FOR FINISHED GOODS AND SERVICES, AS WELL AS A GOOD SOURCE OF INVESTMENT OPPORTUNITIES. MOREOVER, ASEAN IS PROBABLY THE BEST GATEWAY INTO THE GREATER ASIA MARKETS OF CHINA AND INDIA.

25. AS SUCH, MALAYSIAN COMPANIES STAND TO GAIN MUCH IF THEY WERE TO ESTABLISH STRATEGIC ALLIANCES WITH LOCAL PARTNERS IN THE REGION, TO CAPITALISE ON THE ECONOMIC POTENTIAL OF ASEAN. IN THIS RESPECT, I CALL UPON N.C.C.I.M. TO STEP UP ITS EFFORTS TO RAISE AWARENESS OF THE ASEAN DIMENSION AMONG ITS MEMBERS. I WOULD ALSO URGE N.C.C.I.M. TO WIDEN AND DEEPEN ITS PARTICIPATION IN THE ASEAN CHAMBER OF COMMERCE AND INDUSTRY (ASEAN-CCI).

LADIES AND GENTLEMEN,

26. IN CLOSING, IT IS MY SINCERE HOPE THAT THE N.C.C.I.M. WILL CONTINUE TO CONTRIBUTE MEANINGFULLY TO THE FURTHER DEVELOPMENT OF COMMERCE AND INDUSTRY IN MALAYSIA. IF WE LOOK TOWARD COMBINING OUR ADVANTAGES AND LEVERAGING ON OUR STRENGTHS, I BELIEVE MALAYSIA CAN INDEED MAINTAIN ITS MOMENTUM IN ECONOMIC GROWTH AND CONTINUE TO THRIVE IN A MODERN AND GLOBALISED WORLD.

THANK YOU.