

**OPENING ADDRESS BY
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE SIXTH SUMMIT MEETING OF THE D-8
AT HILTON HOTEL, KUALA LUMPUR
8 JULY 2008**

"MEETING GLOBAL CHALLENGES THROUGH INNOVATIVE COOPERATION"

Their Excellencies
The Heads of State and Government,

His Excellency Dr. Dipo Alam,
Secretary General of D-8

Excellencies, Ladies and Gentlemen

1. I am very happy and pleased to welcome Your Excellencies to Kuala Lumpur for this gathering of the D-8. Your presence demonstrates your commitment to continue strengthening the cooperation between us through this initiative in which we have called ourselves the Developing Eight.

Excellencies, Ladies and Gentlemen,

2. We are meeting at a time when the world economy is facing grave threats to its wellbeing as a result of a combination of unprecedented circumstances. The price of oil has skyrocketed to levels never anticipated by the strategists and economic planners. The price of food has increased beyond the normal abilities to pay by the poor, which form the majority of the world's people. And these problems have come to the fore in the midst of a serious prospect of a more general and widespread global economic recession. Our peoples in the D-8 group of countries will be among those feeling the greatest pains arising out of the current international economic downturn. We need to brace ourselves, identify the right policies and take the correct steps to lessen the sufferings of our citizens, particularly those in the lower income categories.

3. No doubt, each of us will be doing the best we can for our respective countries. But our individual efforts will carry little weight towards improving the international economic situation as a whole. The global nature of the problems that I have just outlined clearly requires global-level solutions. Therefore, at this meeting, we need to achieve a consensus on the gravity of the situation and agree to send a united message to the world to state our viewpoint about the problems which now confront the international community.

Excellencies, Ladies and Gentlemen,

4. In my view, the most urgent challenge facing us is the food shortage in the world, which has resulted in the sharp increases in food prices. It is estimated that global food prices have risen by more than 75 percent since 2000. The increasing prices are definitely putting increasing strains on the family budgets, especially those of the poor households in the developing world.

5. I believe the priority which had been given by most countries, in the past, to the industrialization of their economies has resulted in much neglect of the agricultural sector. The lower level of investment allocated to this sector has caused inadequate expansion and modernization of agriculture generally, leading to inadequate supplies of food and triggering the current food crisis. In Malaysia, we have given emphasis to the development of agriculture in our national development plans and we shall continue to do so in the years to come. I think this meeting must come out with a clear message on the need to boost food production in the world. This is especially needed in the context of additional difficulties brought about by climate change and natural disasters. There is also the danger of the food crisis creating political unrest in many societies.

Excellencies, Ladies and Gentlemen,

6. The steep rise in the price of oil is an equally urgent challenge. Besides adding significantly to the costs of food, the high price of oil itself has become an increasingly critical threat to the well-being of the global economy. There are forecasts that the price of oil could rise to as high as USD 170 per barrel by the year end, and that it could even rise further to USD 200 per barrel next year.

7. We do believe that the major oil producers have an important role to play in addressing the interrelated problem of oil supplies and oil prices. We therefore welcome their recent meeting in Jeddah to address this and other related issues. Saudi Arabia has taken the lead to pledge an increase in its production of crude. We hope the other major producers will follow that example. Increases in production are, of course, mere short-term measures. Long term solutions must be found for stabilizing the price of oil. For example, the international community can examine how the futures market might be organized to assist in stabilizing prices.

8. There must also be consensus on the appropriate methods of producing or creating alternative sources of energy. The widespread conversion of arable land to cater for the production of bio-fuels should be stopped because such action will deepen the global food scarcity and further drive up food prices. We must not allow the zeal for energy security to come into direct conflict with the basic need for food production.

9. The current crisis in food supplies and rising oil prices have forced governments to curtail expenditures or reallocate resources for development in order to meet the more immediate needs of societies. We should share ideas on how to mitigate the negative impacts of these short-term actions on the long-term requirements of sustained growth and development.

10. We must therefore identify the bold measure that we need to take now in order to guarantee the wellbeing of our economies and our peoples in the future. Maintaining a steady and continuous growth of our respective economies would be our contribution to combat the looming recession in the global economy.

Excellencies, Ladies and Gentlemen,

11. Our Group - the Developing Eight - is at a crossroad. One decade has passed since we came together with the primary objective of strengthening our economic and trade relations. Our achievements as a group have been modest, we must admit. We must seriously take stock of what we have achieved and what could have

been achieved. This will enable us to decide the best way forward to build upon and add value to what we have achieved thus far. It is appropriate that we adopt, at this Sixth Summit, a new Road Map for the next decade of our cooperation.

Excellencies, Ladies and Gentlemen,

12. Malaysia decided to host this Summit under the theme "Meeting Global Challenges Through Innovative Cooperation". We do need to be innovative in identifying suitable group activities, programs or projects. I believe one important thing to do is to make concerted efforts to increase the private sector participation in our activities, programs and projects. After all, they are the real engines of growth and development in our economies. I might add that we should also involve our civil societies wherever appropriate.

13. We must choose results oriented initiatives. In the context of current concerns, the D-8 might wish to give priority to projects in the area of renewable energy and the further development of the halal industry. I believe the D-8 Business Forum which had earlier discussed these issues can quickly come up with concrete and doable ventures.

Excellencies, Ladies and Gentlemen,

14. Malaysia is honoured to assume the Chairmanship of the Developing Eight, after Indonesia. We are ready to do our part to further strengthen the linkages between and among the members of our Group. With the full cooperation, support and commitment of everyone, we can attain our goals.

15. I wish to take this opportunity to pay tribute and record our appreciation to His Excellency Dr. Susilo Bambang Yudhyono, President of the Republic of Indonesia, for his dedication and efforts during his tenure as D-8 Chairman for the past two years. He has done a lot to keep the D-8 relevant.

16. I would also like to thank His Excellency Dr. Dipo Alam, the Secretary General, and his staff for their hard work and contributions to ensure the continuing success of D-8.

17. I look forward to a stimulating and productive day of discussions ahead of us during this meeting.

18. With the prayer of Bismillahirrahmannirrahim, I now declare open this Sixth Summit of the Developing Eight.

Thank you.