

**OPENING REMARKS BY
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE 11TH M.S.C. MALAYSIA INTERNATIONAL ADVISORY PANEL MEETING
AT KUALA LUMPUR CONVENTION CENTRE
17 MAY 2008**

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH AND GOOD MORNING
HONOURABLE MINISTERS

I.A.P. MEMBERS AND REPRESENTATIVES

SENIOR GOVERNMENT OFFICIALS

LADIES AND GENTLEMEN

1. IT GIVES ME GREAT PLEASURE TO WELCOME YOU ONCE AGAIN TO THE M.S.C. MALAYSIA INTERNATIONAL ADVISORY PANEL (I.A.P.) MEETING. THIS IS THE 11TH OCCASION THAT WE ARE CONDUCTING THIS MEETING. I WISH TO THANK ALL OF YOU FOR YOUR CONTINUED SUPPORT OF M.S.C. MALAYSIA. AS ALWAYS, WE APPRECIATE YOUR VIEWS AND SUGGESTIONS, AND CONSIDER THEM VITAL IN BRINGING M.S.C. MALAYSIA UP TO THE NEXT LEVEL.

2. I AM SURE YOU HAVE ALREADY MET MALAYSIA'S NEW SCIENCE, TECHNOLOGY AND INNOVATION MINISTER, DATO' DR. MAXIMUS ONGKILI. AS YOU KNOW, HE HAS INHERITED THE PORTFOLIO FROM DATO' DR. JAMALUDDIN JARJIS AND THUS JOINS US ON THE I.A.P.. MAY I ALSO TAKE THIS OPPORTUNITY TO INTRODUCE YOU TO THE OTHER NEW MINISTERS WHO ARE JOINING US ON THE PANEL.

- DATO' SHAZIMAN ABDUL MANSOR (MINISTER OF ENERGY, WATER AND COMMUNICATIONS);
- DATO' SERI KHALED NORDIN (MINISTER OF HIGHER EDUCATION);
- DATO' MUSTAPA MOHAMED (MINISTER OF AGRICULTURE AND AGRO-BASED INDUSTRIES; FORMERLY HIGHER EDUCATION MINISTER);
- DATO' SHAHRIR SAMAD (MINISTER OF DOMESTIC TRADE AND CONSUMER AFFAIRS);
- DATO' NOH OMAR (MINISTER OF ENTREPRENEUR AND COOPERATIVE DEVELOPMENT).

3. I HAVE EVERY CONFIDENCE THAT OUR NEW MEMBERS WILL BE ABLE TO INFUSE NEW THINKING INTO THE I.A.P., TO FURTHER IMPROVE M.S.C. MALAYSIA AS WELL AS ITS RELATED POLICIES, PROGRAMMES AND ACTIVITIES.

4. ON BEHALF OF THE M.S.C.-I.A.P., I WOULD LIKE TO TAKE THIS OPPORTUNITY TO EXPRESS MY DEEPEST APPRECIATION TO THE FORMER MEMBERS OF THE PANEL, PARTICULARLY, DATO' DR. JAMALUDDIN JARJIS FOR HIS VAST CONTRIBUTION TO THE DEVELOPMENT OF M.S.C. MALAYSIA AS WELL AS TO THE I.A.P. ITSELF.

5. WE CONSIDER THIS YEAR'S I.A.P. MEETING TO BE VERY SPECIAL AS IT IS BEING HELD IN CONJUNCTION WITH THE 16TH WORLD CONGRESS ON INFORMATION TECHNOLOGY (W.C.I.T. 2008).. WE ARE PROUD TO BE THE FIRST SOUTHEAST

ASIAN COUNTRY HOSTING THIS WORLD-CLASS EVENT, OFTEN DUBBED AS THE "OLYMPICS OF I.T.. WE BELIEVE THAT THE CHOICE OF MALAYSIA AS HOST COUNTRY REFLECTS THE STRONG POSITION AND ACCEPTANCE THAT MALAYSIA HAS COME TO ENJOY IN THE GLOBAL I.C.T. ARENA.

6. I UNDERSTAND THAT SOME OF YOU ARE ALSO INVOLVED IN W.I.C.T. 2008 AND RELATED EVENTS EITHER AS SPEAKERS OR DELEGATES. I THANK YOU FOR YOUR SUPPORT AND HOPE THAT YOU WILL HAVE A PRODUCTIVE AND ENLIGHTENING TIME AT W.I.C.T. 2008.

LADIES AND GENTLEMEN,

7. SINCE THE LAST TIME WE MET, THERE HAVE BEEN MANY SIGNIFICANT CHANGES TAKING PLACE IN THE GLOBAL ECONOMY. TODAY, WE FACE GROWING CONCERNS ABOUT A RECESSION IN THE U.S., ONE THAT THREATENS TO AFFECT THE ENTIRE GLOBAL ECONOMY. FUEL PRICE HIKES AND RISING PRICES FOR ESSENTIAL GOODS ARE CAUSES FOR GRAVE CONCERN, WHILE SHORTAGES IN GLOBAL FOOD SUPPLY IMPACT NEGATIVELY ON US ALL.

8. WHILE IT WILL NODOUBT BE EXTREMELY CHALLENGING, BUT GIVEN OUR STRONG FUNDAMENTALS, I BELIEVE THE MALAYSIAN ECONOMY IS RESILIENT ENOUGH TO WEATHER THIS SITUATION. MALAYSIA RECORDED A STRONG 6.3 PERCENT G.D.P. GROWTH IN 2007 — WITH 4TH QUARTER 2007 G.D.P. GROWTH COMING IN AT A HIGH 7.3 PERCENT. FURTHERMORE, WE EXPECT OUR GROWTH FOR 2008 TO BE IN THE REGION OF 5 TO 6 PER CENT, DESPITE THE U.S. SLOWDOWN AND UNCERTAINTY IN THE GLOBAL ECONOMY.

9. LAST YEAR, OUR TOTAL TRADE AMOUNTED TO 1.1 TRILLION RINGGIT. MEANWHILE, AS OF 30TH APRIL 2008, OUR FOREIGN RESERVES, WHICH ARE CURRENTLY THE 12TH LARGEST IN THE WORLD, AMOUNTED TO 396.7 BILLION RINGGIT (OR 124.1 BILLION U.S. DOLLARS). OUR EXTERNAL DEBT LAST YEAR WAS AT 14.3 PERCENT OF TOTAL DEBT — WHICH IS A HEALTHY REDUCTION FROM 2003'S 19.8 PERCENT.

10. GOING FORWARD, MY GOVERNMENT WILL CONTINUE TO BUILD ON MALAYSIA'S STRENGTH BY CONTINUING TO UNDERTAKE SOUND ECONOMIC POLICY MANAGEMENT. WE WILL CONTINUE DIVERSIFYING OUR ECONOMIC SECTORS, AS WELL AS OUR EXPORT DESTINATIONS. DOMESTIC DEMAND CONSTITUTES ABOUT 87 PERCENT OF TOTAL G.D.P., BODING WELL AS A CUSHION AGAINST THE NEGATIVE EFFECTS OF AN INCREASINGLY UNSTABLE GLOBAL ECONOMY.

11. MY GOVERNMENT IS COMMITTED TO CONTINUE MOVING THE MALAYSIAN ECONOMY UP THE VALUE CHAIN. WE WILL ALSO CONTINUE TO IMPLEMENT GROWTH-CENTERED AS WELL AS PEOPLE-CENTERED PROGRAMMES AND INITIATIVES UNDER THE NINTH MALAYSIA PLAN. WE WILL ENSURE THAT THE DESIGNATED DEVELOPMENT CORRIDORS ARE IMPLEMENTED IN A PROPER AND TIMELY MANNER. WE WILL CONTINUE TO REACH OUT TO THE MALAYSIAN PEOPLE AND ENSURE THAT THEIR NEEDS ARE MET. THIS IS VITAL SO THAT SOCIO-ECONOMIC GAPS BETWEEN REGIONS MAY BE CLOSED AND THE WEALTH OF THE NATION MAY BE DISTRIBUTED MORE EQUITABLY.

LADIES AND GENTLEMEN,

12. I AM PLEASED TO SAY THAT MALAYSIA HAS ACHIEVED MUCH ON THE I.C.T. FRONT. AFTER 12 YEARS, M.S.C. MALAYSIA IS NOW HOME TO MORE THAN 2,000 COMPANIES INCLUDING HOME-GROWN COMPANIES AND MULTINATIONALS, OF WHICH ABOUT 100 ARE LEADING GLOBAL COMPANIES. IN 2007, M.S.C. STATUS COMPANIES' TURNOVER WAS APPROXIMATELY 13.6 BILLION RINGGIT — AN INCREASE OF MORE THAN 25 PER CENT COMPARED TO 2002.

13. M.S.C. MALAYSIA STATUS COMPANIES ARE ALSO EXPORTING MORE, WITH EXPORT FIGURES FOR 2007 REPORTED TO BE 4.9 BILLION RINGGIT. THIS REPRESENTS AN INCREASE OF MORE THAN 40 PER CENT COMPARED TO 2002. RESEARCH AND DEVELOPMENT ACTIVITY HAS ALSO BEEN ON THE RISE. IN 2007, ABOUT 0.8 BILLION RINGGIT WAS SPENT BY MSC MALAYSIA STATUS COMPANIES ON R&D, MORE THAN THREE TIMES THE AMOUNT SPENT IN 2002. IN TERMS OF RESEARCH OUTPUT, I AM PLEASED TO REPORT THAT A TOTAL OF 2,178 INTELLECTUAL PROPERTIES (I.P.'S) OF VARIOUS KINDS HAVE BEEN REGISTERED TO DATE.

14. I AM PLEASED TO NOTE THAT M.S.C. MALAYSIA CONTINUES TO ATTRACT GLOBAL I.C.T. PLAYERS TO ITS FOLD. OUR HIGHLY ADVANCED INFRASTRUCTURE AND FACILITIES, REASONABLE COSTS AND DYNAMIC HUMAN CAPITAL ARE INCREASINGLY SOUGHT AFTER BY COMPANIES.

15. M.S.C. MALAYSIA HAS ALREADY BUILT A STRONG NICHE IN "SHARED SERVICES AND OUTSOURCING", WHERE WE HAVE CONSISTENTLY BEEN RANKED THE THIRD MOST ATTRACTIVE S.S.O. INVESTMENT DESTINATION BY A.T. KEARNEY AND BY FROST AND SULLIVAN. THIS IN TURN HAS LED TO MANY FOREIGN M.N.C.'S TO INVEST IN M.S.C. MALAYSIA.

16. THE PRESENCE OF GLOBAL MULTI-NATIONAL COMPANIES HAS CREATED AN ECOSYSTEM THAT HAS ACCELERATED THE DEVELOPMENT OF LOCAL I.C.T. CONTENT AND SOLUTIONS PROVIDERS. A NUMBER OF MALAYSIAN COMPANIES HAVE ALREADY DEMONSTRATED THEIR CAPABILITIES TO PRODUCE WORLD-CLASS I.C.T. PRODUCTS AND SOLUTIONS, INCLUDING THAT OF CREATIVE AND MOBILE CONTENT.

17. THIS SUCCESS HAS FURTHER REINFORCED M.S.C. MALAYSIA'S COMMITMENT TO NURTURE AND DEVELOP ITS I.C.T. INDUSTRY AND TO FACILITATE MORE PLAYERS TO BE GLOBALLY COMPETITIVE, SO THAT THEY CAN CONTINUE TO PROVIDE WORLD-CLASS AND VALUE-DRIVEN SOLUTIONS, THAT MANY HAVE CHOSEN TO RELY ON.

LADIES AND GENTLEMEN,

18. WHILE WE ARE PROUD OF OUR SUCCESSSES THUS FAR, WE RECOGNISE THAT THE DEVELOPMENTAL YEARS ARE NOW OVER. WE MUST MOVE FORWARD MORE SURELY AND MORE RAPIDLY. WE MUST CONTINUE TO REMAIN COMPETITIVE AND PROPAGATE FORWARD THINKING TO NURTURE A VIBRANT AND CUTTING-EDGE I.C.T. INDUSTRY.

19. IN ADDITION, WE NEED TO ACCELERATE MALAYSIA'S TRANSFORMATION BY FOCUSING OUR EFFORTS ON INNOVATION. THAT IS WHY WE HAVE SELECTED THE THEME FOR THIS YEAR'S I.A.P. MEETING — "M.S.C. MALAYSIA: INNOVATION FOR WEALTH CREATION". WE BELIEVE THAT INNOVATION, WHETHER IT IS MARKET-

DRIVEN INNOVATION OR RESEARCH-BASED INNOVATION, IS CRUCIAL TO WEALTH CREATION.

20. I WOULD LIKE TO INVITE YOU, OUR DISTINGUISHED PANEL OF I.A.P. MEMBERS, TO SHARE YOUR COLLECTIVE EXPERIENCE AND VIEWS ON HOW WE CAN RAISE THE LEVEL OF INNOVATION WITHIN THE MALAYSIAN I.C.T. INDUSTRY AND ULTIMATELY HELP DEVELOP GLOBAL ICONS FROM MALAYSIA.

LADIES AND GENTLEMEN,

21. AT THIS JUNCTURE, I WOULD LIKE TO SHARE WITH YOU MY THOUGHTS ON A PARTICULAR ISSUE. GIVEN THE CURRENT GLOBAL ECONOMIC SCENARIO, WITH THE WORLD AVERAGE FOOD PRICES GOING UP BY 75 PER CENT SINCE 2000, I FEEL THAT IT IS PERHAPS THE MOST OPPORTUNE TIME TO PUT I.C.T., AGRICULTURE AND BIOTECHNOLOGY TO WORK TO OVERCOME SOME OF THE CHALLENGES THAT MALAYSIA, AND THE REST OF THE WORLD, ARE CURRENTLY FACING.

22. I WOULD VENTURE THAT MALAYSIA'S RICH NATURAL RESOURCES, PARTICULARLY AGRICULTURAL RESOURCES, PUT US IN AN IDEAL POSTION TO TAKE THE LEAD IN THIS AREA. THUS, I URGE I.A.P. MEMBERS TO CONSIDER THE ROLE THAT NEW TECHNOLOGIES, INNOVATION AND APPLICATIONS CAN PLAY IN HELPING TO INCREASE FOOD PRODUCTION AND EFFECTIVELY ENHANCE MANAGEMENT OF FOOD AND ENERGY RESOURCES.

23. IF THERE IS ENOUGH INTEREST, PERHAPS A FLAGSHIP APPLICATION WHICH COMBINES EFFORTS IN AGRICULTURE, BIOTECHNOLOGY ALONG WITH ADVANCES IN I.C.T. COULD BE UNDERTAKEN. PERHAPS THIS COULD BE AN AREA OF DISCUSSION AND I INVITE I.A.P. MEMBERS TO GIVE THEIR VIEWS ON THIS.

LADIES AND GENTLEMEN,

24. ONCE AGAIN, ALLOW ME TO EXPRESS MY SINCEREST APPRECIATION TO ALL OF YOU FOR YOUR COUNSEL AND SUPPORT ALL THESE YEARS. I HOPE THIS ASSOCIATION WITH THE M.S.C. MALAYSIA I.A.P. HAS BEEN MUTUALLY ENRICHING, AND I LOOK FORWARD TO HEARING YOUR VIEWS AND TO BE GUIDED BY YOU ON THIS IMPORTANT SUBJECT OF I.C.T. AND INNOVATION.

THANK YOU.