

The Asean Business Summit 2000

Renaissance Hotel, Kuala Lumpur 11 April 2000

"Asia 2000, Moving Forward"

ASEAN is now one generation old. On December 15, 1997, at the second ASEAN Informal Summit held in Kuala Lumpur, the Heads of Government of ASEAN adopted ASEAN's Vision 2020. I agree fully with that 2020 Vision.

2. Now is the time not of words. Now is the time for action. The need of the hour is not for new formulation and concepts. The need is for the transforming of our brilliant vision into palpable reality.

. Our vision, already agreed to by all of us in ASEAN is of a concert and a community of Southeast Asian nations, outward looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies. 4. These words are not mine. They belong to all the leaders of ASEAN, to all the peoples of ASEAN.

5. Under ASEAN's 2020 Vision, we envision the ASEAN region to be, in 2020, in full reality, a Zone of Peace, Freedom and Neutrality, as envisaged in the Kuala Lumpur Declaration of 1971.

6. By the year 2020, ASEAN should have established a peaceful and stable Southeast Asia where each nation is at peace with itself and where the causes for conflict have been eliminated, through abiding respect for justice and the rule of law and through the strengthening of national and regional resilience.

7. We envision a Southeast Asia where territorial and other disputes are resolved by peaceful means.

8. We envision the Treaty of Amity and Cooperation in Southeast Asia functioning fully as a binding code of conduct for our governments and peoples, to which other states with interests in the region adhere.

9. We envision a Southeast Asia free from nuclear weapons, with all the Nuclear Weapon States committed to the purposes of the Southeast Asia Nuclear Weapons Free Zone Treaty through their adherence to its Protocol. We also envision our region free from all other weapons of mass destruction enabling us to develop and prosper.

10. In December 1997, the leaders of ASEAN resolved to chart a new direction towards the year 2020 called, 'ASEAN 2020: Partnership in Dynamic Development' which will forge closer economic integration within ASEAN.

11. We reiterated our resolve to enhance ASEAN economic cooperation through economic development strategies, which are in line with the aspiration of our respective peoples, which put emphasis on sustainable and equitable growth, development strategies which enhance national as well as regional resilience.

12. We pledged to sustain ASEAN' s high economic performance by building upon the foundation of our existing cooperation efforts, consolidating our achievements, expanding our collective efforts and enhancing mutual assistance.

13. We committed ourselves to moving towards closer cohesion and economic integration, narrowing the gap in the level of development among Member Countries, ensuring that the multilateral trading system remains fair and open.

14. In ASEAN' s Vision 2020, the leaders of ASEAN and the countries of ASEAN resolved to create a stable, prosperous and highly competitive ASEAN Economic Region in which there is a free flow of goods, services and investments, a freer flow of capital, equitable economic development and reduced poverty and socio-economic disparities.

15. We resolved, among other things, to maintain regional macroeconomic and financial stability by promoting closer consultations in macroeconomic and financial policies.

16. We resolved to advance economic integration and cooperation by fully implementing the ASEAN Free Trade Area and accelerating liberalisation of trade in services; by realising the ASEAN Investment Area by 2010 and the free flow of investments by 2020; by intensifying and expanding sub-regional cooperation in existing and new sub-regional growth areas; by further consolidating and expanding extra-ASEAN regional linkages for mutual benefit; by cooperating to strengthen the multilateral trading system, and by reinforcing the role of the business sector as the engine of growth. We resolved to promote a modern and competitive small and medium enterprises (SME) sector in ASEAN which will contribute to the industrial development and efficiency of the region.

17. We pledged to accelerate the free flow of professional and other services in the region, to promote financial sector liberalisation and closer cooperation in money and capital market, tax, insurance and customs matters as well as closer consultations in macroeconomic and financial policies.

18. The leaders of ASEAN, in their wisdom or should one say with their common sense, committed themselves to enhancing human resource development in all sectors of the economy through quality education, upgrading of skills and capabilities and training.

19. The countries of ASEAN committed themselves to world standards and a conformance system that will provide a harmonised approach to the free flow of ASEAN trade, while meeting health, safety and environmental needs.

20. We see vibrant and open ASEAN societies consistent with their respective national identities, where all people enjoy equitable access to opportunities for total human development regardless of gender, race, religion, language, or social and cultural background.

21. We envision a socially cohesive and caring ASEAN where not only hunger, malnutrition, deprivation and poverty are no longer the principal problems but also an ASEAN community where strong families as the basic units of society tend to their members -- particularly the children, youth, women and elderly; and where society is empowered and responsible and gives special attention to the disadvantaged, disabled and the marginalised, where social justice and the rule of law truly reigns.

22. In Kuala Lumpur in December 1997, we also resolved to develop and strengthen ASEAN' s institutions and mechanisms to enable ASEAN to realise the vision and to respond to the challenges of the coming century. We also saw the need for a strengthened ASEAN Secretariat with an enhanced role to support the realisation of our vision.

23. ASEAN realises all these. Thus following on the Kuala Lumpur ASEAN Vision 2020, we saw the Hanoi Plan of Action, a realistic set of action plans.

24. At the risk of boring you with repetition, let me repeat the need, now, for action, real, palpable result- oriented action.

25. The principal business of ASEAN is not exclusively business. It is the making of peace and friendship and concerted collective action by us all in this region of Southeast Asia.

26. But you will see that we in ASEAN understand fully the central importance of the business sector. We know who lays the golden egg. And we are not going to kill the goose. Rather we are going to nurture it, to care for it because we appreciate its role.

27. What I have tried to outline to you is ASEAN' s way forward in the short, medium and long term.

28. Let me now make some remarks on three key issues that we all must focus upon. These key issues are indeed the keys to our achieving our goals. These issues in simple one word terms are: -

i) Globalisation;

ii) Liberalisation; and

iii) Mega-mergers

29. There is a lot that is good about globalisation. It provides us many opportunities. We are not selfish. We do not mind others getting the opportunities also. But we must ensure that the opportunities and the benefits accrue to us as substantially as they do to others.

30. We had thought of globalisation in terms of Foreign Direct Investment (FDI), of inflows of capital, technology and market access. But our recent traumatic experience has shown that globalisation can also mean massive outflows of

capital in order to impoverish and weaken us and to prepare us for foreign takeovers of our businesses, and possibly our countries too.

31. The question is can we have the good the globalisation can bring and reject the possible destruction and subjugation of our economies?

32. Many of us will reject the alarming prediction that we will be colonised again. We are independent countries and we will remain independent. But if we have to submit to the dictates of others, dictates, which are not only demeaning but also deleterious to our interests, can just having our own Governments be sufficient to prove that we are not being colonised?

33. But the fact is that globalisation can be good, very good for us. It can be good if we have a say in its interpretation. It will be good if we can have some control over the movements across our borders, across all borders in fact movements not just of financial capital but also of other forms of capital.

34. Admittedly the countries of ASEAN will see things differently. We will disagree among ourselves. But if we disagree too much we will become divided in our approach towards globalisation.

35. May I then call upon all of us to say this about globalisation before we say ' yes' to it. We should say: -

No globalisation without benefit,

No globalisation without self determination, and

No globalisation without corporate responsibility

or conscience.

The first ' no' -- No globalisation without benefit -- is the rationality imperative.

36. The second ' no' -- No globalisation without self- determination -- is the freedom and independence imperative. We did not fight to be free of the old imperialism in order to have the privilege of bowing before the new imperialism.

37. The third imperative is about ethics, morality and responsibility. We rightly expect everyone -- politicians, children, grandmothers, padi planters, fishermen, and union leaders to have ethics, morality and responsibility. Why must some of the followers of market theology say that as for business and corporations, inserting the sacred mantras into their wallets and holding it in their breast pocket, close to their hearts, is all that is necessary?

38. I have mentioned the rationality imperative. I have mentioned the freedom and independence imperative. The ethics, morality and responsibility imperative demands the third ' no' : No globalisation without corporate responsibility and conscience.

39. I am afraid I cannot accept the unconscionable. If this upsets anyone, I am

sorry. I make no apologies. As a human being, I believe no human being can accept the doctrine that business can do whatever they like, Governments should allow business to do whatever they like, and if bones are crushed and lives are ruined, it' s Ok.

40. It' s too bad. It is simply the market. It is that wonderful abstraction, ' the market' , the god that can do no wrong, that can be expected to perform better and to produce better results than anything that individual human beings either in business or public life can do.

41. Since I became Prime Minister of Malaysia, my country has seen the fastest rate of marketisation of its economy in its history. We did it not out of ideological commitment or theological faith. We did it because it yielded results.

42. The market still has a great deal to deliver. We must continue to marketise the Malaysian domestic economy. But those who believe in market miracles and divine perfection need not a heart transplant as much as a head transplant.

43. On the issue of liberalisation, let me also say that we must distinguish between domestic liberalisation and cross-border liberalisation, between national market liberalisation and international market liberalisation.

44. For my country, my Government and I remain committed too much greater national market liberalisation. This must, of course, be subservient to the rationality imperative, the freedom and independence imperative and the ethics, morality and responsibility imperative.

45. We cannot have a headlong rush to national market liberalisation, oblivious of the need to ensure the proper regulatory and transparency framework, the issues of sequencing, and readiness.

46. We cannot rush headlong, simply because ' the good book' and bible-totting ' world' ' experts' from Washington tell us that it is good for us. I apologise to those who say ' Go for the so-called big bang' even if it blows up in your face. I apologise to the eager beavers who say: ' Proceed to the cutting edge' even if you are cut to bits. I apologise to those experts who say: ' Just hold the good book, close your eyes and jump' , even if it is in the dark of night and the hole is bottomless. Don' t worry. Just keep the faith.

47. I also believe that in Malaysia, as in all countries, we cannot afford to rush headlong without considering the issues of equity and distribution, balance and fairness.

48. At this stage of the game in Malaysia and on the global battlefield, I have far, far fewer reservations about national market liberalisation than about international trade and financial liberalisation.

49. Without doubt, there is a lot that is good in both international trade and financial liberalisation. The good should be imbibed and the opportunities should be exploited. But again let me stress the imperatives of rationality, of freedom

and independence, and of ethics, morality and responsibility.

50. Even as we say a qualified ' yes' to international liberalisation, we must say: -

No international liberalisation without benefit,

No international liberalisation without self- determination,

No international liberalisation without regulation,

No international liberalisation without representation, and

No international liberalisation without corporate responsibility and conscience.

51. With regard to the first, it is absolutely clear that for most countries in this world, the benefits of international liberalisation are blindingly unclear, whilst the costs of international liberalisation have so far clearly outweighed the benefits. We in Malaysia should not forget that whilst massive foreign direct investment did come to Malaysia in 1999, last year only 1.2 per cent of global foreign direct investment was destined for the whole of the African continent. We received several times more than all the 30 countries of Africa put together.

52. Perhaps it is too early in the game for calculating the costs and benefits to the developing world to become clear. If it is too early, why the rush to negotiate a whole series of new international trade liberalisations? More lack of consideration or something worse?

53. With regard to the second ' no' -- No international liberalisation without self determination -- let us not forget what one of the great leaders of ASEAN, Ho Chi Minh, said a long time ago: nothing is more precious than freedom and independence.

54. With regard to no liberalisation without regulation, who wants a brave new world without rules, where businesses are free to do as they please, where, like 007, they have a licence to kill? Why do they want such a brave new world beyond their borders when they would never consider unfettered, unregulated markets and complete anarchy at home?

55. As for no liberalisation without representation, I seem to recall one of the rallying calls of the great American fight for freedom from colonial tyranny: no taxation without representation. If the physical life and death of our people, not merely their welfare, are at stake, why is there such a strong fight to prevent democracy, to ensure against democratic representation? Why are we not to be allowed to have a say? Can we, should we, accept a world where the rules by which we must live or die shall be unilaterally determined?

56. My views about businesses, which feast on and cause untold human misery have been stated. I shall not repeat. But let me end with what must be our third worry or should we call it a ' nightmare' ?

57. Every day, we see the news on the global mega- mergers.

58. The global media laud it as if it is the next best thing to motherhood and apple pie. These global mega- mergers are good for equity investors, in the grips of ' irrational exuberance' , eager on ' a feeding frenzy' . Both these terms are not mine.

59. These global mega-mergers may be great for others. But the question has to be asked: is it good for us? The biggest conglomerates in ASEAN are as ants in comparison with these elephants. Is it not interesting that despite the fact that every market guru and every market theologian can easily refer to the evils of oligopoly and monopoly in the free market bible, the free market priesthood is silent or even enthusiastic? Why is this so?

60. I have raised many issues in this speech. It is quite obvious that all of us in ASEAN, in the developing world and in the developed world have a lot of independent thinking to do. Repeating all the sacred text from the sacred books brought out to us by experts who have the look of the incredibly committed Christian missionaries of the 19th century simply will not do at the dawn of this, the 21st century.

61. I believe that today, as ever in the past, as it must be in the days to come, it is essential for us to think independently and to act, driven by the dictates of rationality, the imperative of freedom and independence, and the demands of ethics, morality and responsibility.