

SPEECH BY: DATO' SERI DR.MAHATHIR BIN MOHAMAD
(PRIME MINISTER)

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IN FINANCE (ICLIF)

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I am honoured to address this distinguished gathering of CEOs in our country. The formation of this organisation is a landmark in terms of the development of leaders in finance in Malaysia. This is a very significant contribution and initiative as having outstanding leaders both in the private and public are a pre-requisite for achieving our Vision 2020. We are now mid- way towards our Vision 2020 of being a fully developed nation in our own mould. We have taken important strides towards it but in these uncertain times, we cannot afford to be complacent and let things just roll along.

2. We need to look at where we are today and how we have reached this stage in our development. This is important, as we have not blindly adopted the Western model of development. We have found our own unique path, and have learnt considerably in the process. Our attitudes and what we had done in the past, correctly or incorrectly can serve to guide us in the future.

3. When Malaysia became independent in 1957, the population was only five million and the per capita income was U.S. Dollar 300. Today Malaysia's population is 25 million and the per capita is almost U.S. Dollar 4,000. All this has not happened by accident. Malaysia has planned, strategised, introduced policies and methods which are largely market oriented throughout the various national development plans and more importantly has effectively implemented these plans. We are bound neither by socialist nor capitalist ideologies. We are pragmatists, doing what is possible and ignoring idealistic dreams.

4. This has enabled the government to chart the direction for the country. At the time of gaining independence Malaysia was an agricultural country, depending almost exclusively on rubber and a fairly big tin mining industry. While the population was growing, the production of rubber and tin was not able to create the wealth and the job opportunities for them.

5. The only way was to industrialise. But Malaysia lacked industrial expertise, capital or management skills or knowledge of the market. When other newly independent countries were nationalising foreign holdings and closing their markets to foreign goods, we decided to invite foreigners to start manufacturing industries in Malaysia. We were prepared to forego taxes because we wanted to create jobs for our people, We also wanted to learn about the manufacturing industry, to absorb the technology so we may reduce our dependence on foreign investors. And learn we did. Today many of our industries are Malaysian owned and managed.

6. Such was the success of our strategy that today 82 percent of Malaysia's exports of nearly U.S. Dollar 100 billion a year or 380 billion Ringgit is made up of manufactured goods. Because we have absorbed the technology and management skills today a growing portion of the manufactured goods is by Malaysian owned and managed companies.

7. The industrialisation spurred the growth of the Malaysian economy, creating jobs and increasing disposable incomes and also creating a need for adequate modern infrastructure. And so roads, railways, power plants, water supply, ports, airports have been and are being built. Building these not only contributes to the expansion of the economy but also provides opportunities for acquiring civil engineering technology and skills. Today we are able to export these skill. But throughout we have been very careful in the management of our money, expanding only at a rate that we can afford, and borrowing only what we can pay.

8. The government has always closely followed the technological advancements in the world and has encouraged the acquisition of new technologies for new industries. When I.T. looked like being an important source for growth, the government immediately responded and encouraged I.T. by providing money and incentives for local and foreign investment in this area.

9. Research and development have always been given strong support by the government. Laboratories set up by the government have successfully helped to increase the productivity of Malaysian industries. The Malaysian rubber trees produce ten times more rubber than the original tree brought from Brazil. Similarly the Malaysian oil palm bears fruit in the 4th year instead of the 7th year of the original tree. The yield per tree is also greater. Now the research is in the I.T. field and already Malaysians are producing their own computers and other hardware as well as software for domestic use and for exports.

10. With our capability to successfully develop and manage our economy, Malaysia is now regarded as a model for developing countries. Many officials and leaders from developing countries have come to study our development experience. Malaysian officials have often been invited by other countries to provide advice and training in various aspects of administration and development.

11. These achievements require a shift in the mindset of Malaysians towards the adoption of positive values and attitudes, especially perseverance and determination, willingness to compete, self-confidence, resilience and readiness to innovate. We have always been prepared to learn from other countries and adapt their policies to suit our needs and environment. For example, more than two decades ago, with the adoption of the Look East Policy, we learnt to emulate the work ethics and culture of the Japanese and Koreans that emphasise dedication, discipline and loyalty as well as diligence towards attaining national development. We also instilled the principle of clean, efficient and trustworthiness as well as leadership by example. The public service has been built on the principle of efficiency, discipline and quality.

12. The foundation of the knowledge based economy that is the bedrock of our Vision 2020 is eventually based on having a stream of well-trained people managing the key assets of the country. We need to build our human capital and that means producing and nurturing our own leaders benchmarked against the best in the world. We need to continuously strive to bring about a paradigm shift in the mindset of Malaysians so that we can become a more responsible, modern and progressive society, with sharp thinking skills, proud of our achievements and confidence in our abilities, in line with the information age. We need to build systems and institutions that encourage learning at all levels and continuously.

13. The Malaysian Government in our Third Outline Perspective Plan tabled on 3 April 2000 at the Parliament highlighted the importance of Lifelong Learning. Lifelong learning will and is becoming increasingly important in the knowledge-based economy where knowledge and skills need to be continuously updated and upgraded. New skills and expertise will be required to improve employability and productivity. The old idea that once you are trained for something then you continue to do the same thing over and over again for years and years is no longer tenable. Your work and your skills will have to change with the continuous technological changes over time.

14. The Government has initiated efforts to promote and implement programs for lifelong learning.

Affordable accessibility to training courses and education programs through the Internet or other ICT-related media is being provided so that Malaysians have the opportunity to acquire new competencies and qualifications for career advancement. More I.T. kiosks and cyber centres will be set up by the Government, especially in the rural areas, to increase accessibility to education and training. In addition, the establishment of community colleges, open universities and distance education will provide avenues for Malaysians to pursue tertiary education and upgrade their skills and qualifications. The establishment of community colleges will also provide opportunities particularly to those who leave the school system to join the labour market, to further their education and training. Financial institutions will also be encouraged to provide soft loans to working adults to continue their education. The Employees Provident Fund provides an avenue for Malaysians to finance their own education. Employers will be encouraged to promote lifelong learning and retraining to equip workers with new skills and knowledge so that they can keep up with the steady stream of technological advances.

15. I greatly commend the efforts of Bank Negara to create an institution, the International Centre for Leadership in Finance, (ICLIF) as a centre for lifelong learning and excellence amongst leaders in Asia. I hope it is able to integrate the ideas of the East and the West to evolve a unique model for leadership development applicable to both private and public sector. We are living at a very interesting stage in the history of development and the development of leaders is critical for sustainable economic growth not only of our nation, but our region as a whole.

16. I wish ICLIF all the very best and hope that it becomes a shining beacon of excellence in executive education, not just in Asia but also around the world.