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EVENT: THE OPENING OF THE NON ALIGNED MOVEMENT'S BUSINESS FORUM ON
SOUTH SOUTH COOPERATION

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"Building a New World Order Sustaining Peace, Sharing Global Prosperity"

I would like to welcome to Malaysia, all delegates from NAM member countries. I would also like to congratulate the organisers, the Asian Strategy & Leadership Institute (ASLI), the Malaysia South South of Association (MASSA) and the Ministry of Foreign Affairs for organising a timely forum to discuss ways to strengthen South South Cooperation.

2. I would also like express the deep appreciation of member countries to the outgoing Chairman, H.E. President Thabo Mbeki of the Republic of South Africa who has provided invaluable leadership to the Movement at a very critical time where a new world order is being forged. When the Movement last met in 1998 in Durban, South Africa, the world had not experienced the tragedy of September 11 and the ensuing fight against global terrorism.

3. The international situation has relapsed into the old state of uncertainty. International leadership, be it by the major powers or the United Nations, has become vague as confrontations at the interstate and intra-state levels increased. Questions have again been asked over the role and relevance of the Non Aligned Movement. Our inability to collectively stand against many issues that have affected each individual country differently has been cited by our detractors as marking the beginning of the end of the Movement.

4. NAM was forged 48 years ago to be the third force between the two superpower blocs. NAM was designed to play the pivotal role in liberating the world from those who dominated it through colonialism and other forms of hegemony. NAM was expected to promote democratic relations among states and to help the growth of developing countries, through enhanced South South and North South relations.

5. The political struggle has not been without achievements, especially against colonialism and apartheid. But the domination of the world by a select few remains. This is evident in their control of the international media and institutions which deal with issues of world security and economy. The Security council and the Bretton Woods institutions remain under the firm grip of a few countries. The dominations now extends into the imposition of their values and standards in total disregard for the cultures and traditions of others. And so the fundamental challenge to our Movement remains that of addressing the domination of the world by a select few, now no longer

divided into opposing blocs. We have lost the option to defect to the other side. The only way we can protect ourselves is to close ranks and adopt common stands.

6. Let us send a clear message to our detractors that NAM is still alive and intends to play a major role in the post cold war era. NAM is a major forum for consultations and coordination of positions on crucial political and economic issues among the developing countries. It is still the only forum where Heads of State and Government of the South can meet to take stock of developments which affect all of us. NAM, on behalf of the South, will continue to champion the just cause for a new world order based on the principles of justice, equality and democracy in international relations.

7. Admittedly, the South, which this Movement represents, was never a single monolithic entity. It was a grouping of nations with widely differing interest, united largely by a common colonial past. Despite becoming independent and sovereign, many of us in the South continue to be economically weak and dependent on the North. Political freedom has not cut loose the economic chains. High levels of poverty pose the greatest threat to many of us, the developing countries.

8. Before the South can collectively demand that it be taken seriously as a player in the international arena, it must confront and overcome its own weaknesses. A shared colonial past cannot permanently guarantee the unity and cohesion of the South. Ethnic, tribal and religious differences have led to the collapse of many government, often culminating in brutal and protracted civil wars. The freedom that we gained at great cost and sacrifice has been squandered by many of us. Development of our countries, eradication of poverty and the improvement in the quality of life of our people have been put on the back burner.

9. Many of us have spent billions on armaments and weapons of destruction when we should be fighting malnutrition, illiteracy and disease. Although we have set up regional groupings to help resolve disputes between us, far too often we resort to armed confrontations. The little money that we have is wasted in this way. The saddest part is that in the end we have to revert to the status quo with no one gaining anything.

10. It is actually in the interest of the more prosperous states of the world to help the poorer nations. That is our experience in Malaysia. When the rich invested in our country they helped to enrich us and we then became rich markets for their goods. Because of this we have adopted the "Prosper Thy Neighbour Policy". By enriching others we now have rich markets for the growing manufactured products that we export. Enriching poorer nations including neighbours is not charity. It is enlightened self interest. Not only will we create markets and rich trading partners, but we will create a more prosperous and peaceful world.

11. Fortunately, for us the debilitating stranglehold of political ideologies has been relaxed. The main concern for everyone now is economic development and the well being of our people. For this we need stability and a legal framework as well as practices which are

conducive to business and trade. All of us have some resources to depend on, including an abundance of labour. It remains for us to ensure minimal political uncertainties, especially the reversals of previous commitments whenever new governments take over. While we may not need the kind of openness and transparency demanded by the developed countries, it must be admitted that business cannot be done in an environment of total opacity and uncertainty.

12. We know that the 'Wealth of a country depends on the ability and the skill to translate resources into products or services that can be marketed. The very rich oil producing countries had oil throughout the centuries of their existence. But they only became rich when this oil was piped up from the bowels of the earth and sold to consumers. The capability to bring up the oil was not with the countries concerned. But obviously until the oil was brought up these countries were extremely poor and undeveloped. It is equally obvious that it is not the resource but the ability to produce and market it that matters. Gold in the ground underneath our feet does not make us rich. But producing and selling it will. This is elementary.

13. But before the resources can be converted to wealth certain preconditions are needed. The most important is the political environment that prevails.

14. Let us admit that for many of us the political environment is not conducive to the exploitation of our resources. Since independence we have been plagued by political instability. Whether the Government is autocratic or democratic does not really matter. All the developed countries of today were built up by autocratic rulers. It is only quite recently that they have become democratic. And being democratic does not ensure political stability. Indeed political stability is even more difficult to achieve in a democratic system.

15. Clearly it is not the system that counts, it is the practitioners of the system. A benevolent and caring autocrat can do wonders to develop a nation. On the other hand a democracy with numerous bickering political parties, none of which are big enough to provide a strong Government, all of which are bent on disruptions of all kinds in order to bring down the incumbent; will also not be stable. The people are supposed to be wise and to choose a Government that will be good for them. But the reality is that people are not wise, not even the majority of them. They are usually deeply divided, more interested in their narrow ideological, ethnic or party concerns than they are in the well being of their nation. Frequently they are bribed or they threaten the election candidates and the Government to grant them favours, illegally and unfairly, if their votes are to be won. Then there is the lobbying system, where a fee' is paid lobbyists who have access to decision makers. Those who can afford the most influential lobbyist get favours which are denied to others. In the end it is not good Government that democracy delivers, but Governments which offer bribes and accept bribes. For most of the people, it is what they get personally that matters, not the development of the nations and the well being of the people.

16. I am not saying that we should abandon democracy. Autocracy can be worse as we need force to remove an autocrat. We need only to vote a

democratic Government out of office. For the time being democracy offers us the best political system. But we need to know how to manage it, to use it in order to have good Governments and political stability. We want political stability because it is good in itself. But we want it more because it can help prosper our country.

17. Corruption afflicts every country in the world. It is the degree of corruption that determines the success or otherwise of a Government's ability to develop the economic potential of a country. Where corruption is openly accepted as a way of life, no country can develop and prosper. The business community fears corruption but some welcome it. What is certain is that corruption, by increasing the cost of doing business will hinder the progress of a country. Although anti corruption efforts seldom succeed in putting an end to corruption, it is probably successful in slowing down or halting the spread of corruption. That is good enough.

18. Political instability and corruption are the two most important obstructions to business and wealth creation. We of the South must overcome these weaknesses if we want to see business activities prosper our countries.

19. That there is a lot of business to be done in the South is obvious. Why else should the countries of the North fight each other in order to get the business of the countries of the South? It follows therefore that there are business opportunities in the South which can help build up the economies of the countries. It also means that companies in the South can also avail themselves of these opportunities and keep more of the wealth within the South.

20. It was in order to do this that the Group of Fifteen countries of the South was formed. This core group should be able to pioneer South South cooperation in economic development. It has achieved some success but admittedly it is nothing to be proud of.

21. We live in challenging times. The world as we know it has forever been changed for the worse by the harrowing events of September 11. We risk our world plunging into more chaos as Israel seize upon this event as an excuse to launch terror attacks against the Palestinians, claiming that it is fighting against terrorism. The result is predictable. Every time the Israelis attack, the Palestinians retaliate. Then the Israelis have to retaliate, which attracts Palestinian retaliation. There is not only no end to this but acts of terror are escalating and have already spread to other parts of the world. The attack against Iraq will simply anger more Muslims who see this as being anti Muslim rather than anti terror. The fact that North Korea's open admission that it has weapons of mass destruction has met only with mild admonishment by the West seems to prove that indeed it is a war against Muslims and not against the fear of possession of weapons of mass destruction by the so called rogue countries.

22. The world is in a state of terror. We are quite paranoid. We are afraid of flying, of going to certain countries, fearful of certain people. We are afraid of white powder, shoes, metal cutlery on aircrafts. Recently in Australia an airport was evacuated because of the strong smell of a delicious Malaysian fruit. We are afraid of

Muslims, of Arabs, of bearded people. We are afraid of war of the disruption it can cause and the uncertainties.

23. All these are not good for business, all increase the cost of doing business. We do not know how long we remain in this state of terror. Fighting global terrorists is not like fighting a conventional war against a country. You can defeat a country and get it to surrender, sign a treaty and bring the war to an end. But global terrorists belong to not country. Even if their leaders surrender there is no guarantee that other leaders will not emerge, that the followers and new recruits will not continue their terror attacks.

24. This is the environment that we must do business in. It is going to be very difficult. The world will not grow as it used to prior to September 11, 2001. We may get used to this of course, to lower standards, to a slide into greater poverty even. But if we don't learn how to handle this poor business environment we can only get worse.

25. The business community of the South must learn to work together, to study and discuss and devise our way to overcome our problems. We must learn from the failures and success of each other. But above all we must stay together and act together. The rest we have to leave to the politician. They hold the key and only they can recreate the world environment which can enable economic prosperity through business to return. To stay and act together I would like to suggest that your Forum could perhaps give consideration to establishing a Business Council of the NAM, so that the momentum created can be carried forward.