

**SPEECH BY THE HON TUN DR MAHATHIR BIN MOHAMAD
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“Global Business Networking among Muslim Nations”

I am greatly honoured to be asked to speak at this important gathering of Muslim Industrialists and Businessmen’s Association at its 8th International Business Forum.

2. Muslims make up 1.3 billion or more than one-sixth of the world’s population. Although the majority are poor but the numbers indicate a potential market that is substantial. Presently this market is largely exploited by others. It should not be the intention of the Muslim business community to try to corner the market for themselves. It must be remembered that Muslims also need to access other markets. But it is only right and fair that Muslims should obtain a share of the market provided by the Muslims.

3. This is very important because we do not want to be excluded from the very rich non-Muslim markets by trying to deal exclusively with Muslims. If at all, everything else being equal, the Muslim factor should be given proper consideration.

4. We know that all over the world there are regional economic blocs. The setting up of these blocs is because of the desire to have trade and investment privileges within the bloc for the members of the bloc. The Muslim world can therefore be regarded and be treated as a bloc within which the Muslim businesses would be accorded certain privileges.

5. Muslims in the past were great traders. The Silk Road was made use of by Muslims for trade between the East and the West. In those days the East was richer than the West in terms of products manufactured. Silk, lacquer ware, glass ware, porcelain, brass ware etc together with spices made up the articles of trade from the East. Not many products were being exported by the West. Consequently the balance of trade must have been in favour of the countries of Asia.

6. There was also a lot of trade by sea conducted by traders from the Gulf, the Indian sub-continent and China with the Spice Islands of Southeast Asia. The Arab and Indian traders were mostly Muslims. They bought the spices of Southeast Asia and sold precious stones in exchange. They came as traders and they were treated as traders.

7. Then the ethnic Europeans mastered ocean navigation and started their trade routes by sea to the East and elsewhere. Their intention was to reduce their dependence on the traders of the Silk Road and trade directly with the East.

8. Unfortunately European traders wanted to secure their supplies. To do this they came in armed merchantmen, set up a string of forts along the coasts that they passed, insisted on being given exclusive rights and finally they conquered and colonised their partners. Instead of buying the product of their trading partners they set up their own spice plantations in their colonies. Thus were their sources of supply secured.

9. The Muslims and other Asian traders never tried to conquer their trading partners. Even if they were treated badly by their host countries they never called upon their own Governments to send forces to punish or to conquer these countries. When the Portuguese Captain Ruy de Aranjó and his men were arrested by the Sultan of Malacca, Portugal sent Admiral Alfonso D'Albuquerque with a powerful fleet which conquered and colonised Malacca.

10. It was the same with the other Southeast Asian Countries. To secure trade and markets the British, Dutch, French, Spanish and Americans conquered and colonised Southeast Asia. And they did largely the same to the rest of the world.

11. Today the ethnic Europeans are again calling for the opening up of all the countries of the world for trade, free trade. And if past history and recent events are any indicator, imperialism will once again follow trade.

12. While we do not want Muslim countries to be paranoid and to close themselves to the rest of the world, they must nevertheless be aware of the dangers facing them.

13. Muslim countries must therefore stand together in order to have a say in the shaping of international trade through the World Trade Organisation. We are all developing countries. We must therefore examine the terms and the conditions of trade so that they will benefit us. Presently the agenda is being drawn up by the developed countries. Obviously they want to maximise the benefits of world trade for themselves. We need to propose our own agenda so that the benefits also accrue to us.

14. Trade is enriching. No doubt countries can grow through trade. Malaysia has grown because of trade. Malaysian trade is twice the size of its GDP. What this means can be gleaned from the corresponding figures for Japan and America whose trade, although very big, is less than 20% of their GDP. Malaysia is the 17th biggest trading nation in the world. Unfortunately this means that Malaysia has become too trade dependent. And worse still although it trades with almost 200 countries and areas, its biggest trading partners are the United States of America and Europe. Should these trading partners decide to apply sanctions against Malaysia, we would be in very grave trouble.

15. Malaysia does not want to reduce its trade with its major trading partners. What it needs to do is to increase its trade with the smaller partners and to find new partners.

16. What Malaysia needs to do is also relevant to all the Muslim countries. Never put all your eggs in one basket. The Muslim world can help each other to be less dependent on any one partner or partners by building the capacities to meet the needs of the Muslim world, by investing in each other, by going into certain industries and by increasing trade between them.

17. There is a lot of capital in the Muslim world. At the moment it is not being invested for the best return. Despite the fact that Islam forbids fixed returns i.e. usury, much of Muslim funds are invested for just that. Yet there are opportunities for the funds to be invested in the production of goods which we all have to buy. And there are countries in the Muslim world which at the moment are helping to maximise profits from investment for non-Muslims by providing low cost labour and a suitable environment.

There is no reason why Muslims with the capital should not invest in Muslim countries in the same way.

18. Perhaps Muslim countries have no technology. This is only partially true. But the fact is that technology can be bought. And technology can be learnt, and even improved.

19. If Muslim capital is invested in Muslim countries as much as it is being invested in other countries, the poorer Muslim countries would certainly prosper. When they prosper they will become good markets, they will increase trade and they will create greater wealth even for the rich countries.

20. Trade is better than indiscriminate alms-giving (sedeqah) or aid. Recipients of aid may be very grateful to the donors but they lose the capacity to look after themselves, to generate their own wealth. But investments in manufacturing will create wealth as well as skills and will be more permanent. Of course we need to give alms to the poor. That is the teaching of our religion. But the beneficiaries must be truly poor and incapable of helping themselves. Those who can work and help themselves must work and produce. They will build a stronger and more resilient society. And Allah knows how much we Muslims need to be stronger and more resilient.

21. To develop economically we need to take stock of our weaknesses and our strengths. Some of us are financially very rich and have only a small workforce. Others are densely populated but lack capital for investments to create jobs. Others have no proper work ethics and may not be able to handle the switch from agriculture for example to industries. Others are isolated land locked countries which suffer from high cost of transportation. Then there are very fertile areas suitable for the production of food for the starving Muslims and non-Muslims but because of lack of capital and skills are unable to benefit from the fertility of their land.

22. We have to study all these which affect the well being of the Muslim ummah. It is entirely possible for us to take corrective action, to use our capital so that labour and land will be much more productive and the remote countries will become accessible. It is unconscionable and un-Islamic that a small number of Muslims should live in the laps of luxury while so many are dying for want of food and accommodation. We can blame the rich countries of the world for creating this situation, but we must also blame ourselves. There is much more inequity among the Muslim ummah than there is in the whole human race. And it is not because it has been preordained that this should be so. It is so because we are actually not practising the teachings of Islam. Charity is fundamental to the teachings of Islam. We are as uncharitable as the others.

23. We live in the age of knowledge and technology. Unfortunately we have not acquired and applied these new aids to the creation of wealth and the well-being of the ummah. We have not encouraged and provided for the acquisition of modern knowledge and technology. Certainly we have not participated in developing it.

24. We are all well aware that a large number of our scientists are living in foreign countries where their skills and knowledge have contributed much to the development of technology for these countries. It may be because these countries offer our intellectuals better returns. But we are not that poor, or at least some of us are not that poor, that we

cannot afford to pay these people well to return to our countries and apply their intellectual capacities for the betterment of our countries. But the main reason for their migration is because we have not provided them with the environment and the physical requirements such as scientific laboratories to enable them to do the research that will give them job satisfaction.

25. We need to look into this. Today a single corporation in Europe or America spends more money on research and development than all the richest Muslim countries put together. That is why we are not benefiting from the new knowledge and technology. That is why we have to pay large sums of money to buy the products of our own researchers.

26. Governments and companies in the Muslim world must accord more importance to research and development. We must set up the needed facilities and we must pay our scientists and researchers well. We must be familiar with the handling of intellectual property and the way to protect those valuable assets.

27. The concept of intellectual property was invented by the advanced countries to protect their rights to the results of their research. We in the Muslim world simply accept this new idea about Intellectual Property without thinking about our own rights. There is another more valuable intellectual property belonging to us which we have not applied for protection.

28. We provide education for our people at tremendous costs. We have to train everyone because we cannot foretell which of them would turn out to be brilliant. But at the end when the best brains emerge from the millions of people we educate at great cost, they are enticed away from our country to work and research and develop intellectual products which are regarded as the property of foreign companies and foreign countries. All our educational investments accrue to them and we have to pay again for our contribution to their intellectual property rights. And invariably those who take away the best brains from our country are the rich countries. It is a most unjust and inequitable situation.

29. Logically they should pay for the brains of our people for they are our intellectual property. Unfortunately we ourselves have accepted their injustice simply because the advanced countries have not suggested it.

30. If I may digress, recently the United States decided that it has a right to force a regime change in any country. This is manifestly illegal in International law. But absurd and illegal though the idea is, the US and Britain have claimed that it is right. We on the other hand have never raised the problem of brain drain as a form of illegal access to our intellectual property for which royalty should be paid.

31. That apart, it is time that Muslim countries set high standards for products which they produce or which they would allow into their markets. Presently the concern is only with regard to "halal" products. But Muslims are required to practice bodily cleanliness which is different from those of other faiths. It is time that we produce sanitary ware and other products which would enable us to fulfil our religious obligations.

32. But apart from the requirements of our religion we should also strive to achieve higher standards in the manufactured goods and food that we produce. Here I would like to draw attention to the Japanese.

33. At one time their products were of inferior quality. But they took up the challenge and ensured that their products are actually superior to those produced by others. Thus Japanese emission standards for automobiles are superior to ethnic European standards.

34. The products of Muslim countries should not only meet world standards but should actually exceed them. If we do this then the world will be beholden to us.

35. Lastly there is the question of ethics in business. Islam is the only religion that promotes ethics in business. We are required to record transactions and to abide by agreements. Of course corruption is abhorred by Islam.

36. Yet there is no code of ethics that is recognised by Muslim business. There have been instances where a vendor would return the deposit on a sale simply because he received a better offer later. Quality and grading is not common with the products of our countries. There is no Muslim standards institute which determines the quality or grade of Muslim products. As a result there is no assurance that the products marketed are genuine or not of a quality that is lower than they are purported to be.

37. Ethics in business is not only important but it contributes toward business success and growth. Since most Muslims ignore the Muslim ethical codes as found in the Quran, we must formulate a universal ethical code based on the Quran so that business can be transacted smoothly and expeditiously. Such a code will contribute towards the growth of business in the Muslim world and also between Muslims and others. Let the word of a Muslim be his bond.

38. Let me stress once again that Muslims must not try to be exclusive in business. But at the same time Muslims should, everything else being equal, favour Muslims. To a certain extent we must regard ourselves as an economic bloc and have links and privileges like other economic blocs, for example the European Union or NAFTA. Our standards and our ethical codes must be high, so that we will win the respect of everyone.

39. We must be prepared to discipline our people. Islamic ethics should guide us.

40. We should cease to think of ourselves as the recipients of technology and standards. We should acquire technology and we should improve on them so that our products would actually be superior.

41. We should not be reluctant to learn from others. There is no necessity to reinvent the wheel. But we should improve on the wheel, attempting to achieve perfection even though we know that we will never be perfect because only Allah is perfect. We need not deliberately be defective because however perfect or precise our work or products, actually they are defective. It is just that we are not able to detect it.

42. All these will not be achieved in one day. The Chinese philosopher pointed out that a journey of a thousand miles begins with one step. We Muslims must set out on this journey. Allah has promised that He will change our fortunes only if we try to change it ourselves first. We can pray for His help but we must do things ourselves first.

43. Thank you once again for your kind invitation to address this esteemed conference. I wish you every success. May Allah s.w.t. guide you and me.
