

KEEPING ASIA OPEN – HOW TO ACHIEVE PROSPERITY AND STABILITY

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LADIES AND GENTLEMEN,

FIRSTLY I WOULD LIKE TO SAY THANK YOU TO NIKKEI FOR INVITING ME TO SPEAK AGAIN AT THIS FORUM. I HAVE BEEN HERE VERY MANY TIMES AND I AM VERY GLAD THAT AGAIN I GET THIS OPPORTUNITY TO SPEAK TO A VERY IMPORTANT JAPANESE AUDIENCE.

MALAYSIA AS YOU KNOW HAD RECENTLY HAD A CHANGE OF GOVERNMENT, SO A LOT OF PEOPLE EXPECT TO SEE WHAT THE CHANGES ARE THAT THIS NEW GOVERNMENT WILL BRING, BUT BEFORE THAT, I WOULD LIKE TO SAY THAT MALAYSIA IS A TRADING NATION. WE ARE NOT A GREAT PRODUCER OF GOODS OR MANUFACTURER OF PRODUCT, BUT, NEVERTHELESS, THE STRATEGIC LOCATION OF MALAYSIA MAKES IT A VERY IMPORTANT SPOT FOR THE WHOLE OF SOUTHEAST ASIA, AND BECAUSE OF THAT WE NEED A WORLD THAT IS VERY STABLE AND PEACEFUL.

TODAY WE SEE THE WORLD IN A STATE OF TURMOIL, ALMOST. WE SEE LEADERS WITH MANY DIFFERENT VIEWS, AND SOME OF THESE VIEWS AFFECT THE REST OF THE WORLD, WITHOUT VERY MUCH ABOUT FREE TRADE, AND IT IS THE COUNTRY THAT PROMOTES FREE TRADE MOST OF ALL, THAT TODAY SEEMS TO HAVE REJECTED FREE TRADE.

NOW, THAT ACTUALLY IS HAPPENING IN MANY COUNTRIES, ALTHOUGH WE PAY LIP SERVICE TO FREE TRADE, MOST COUNTRIES PRACTISE SOME KIND OF RESTRICTIONS.

I SAY THIS BECAUSE SMALL COUNTRIES LIKE MALAYSIA, FIND DIFFICULTY IN COMPETING IN A FREE TRADE WORLD, THAT IS BECAUSE WE ARE SMALL.

FOR EXAMPLE, WE HAVE THIS GREAT AMBITION TO PRODUCE MOTOR VEHICLES, CARS, BUT WE FIND THAT PENETRATING THE MARKETS OF THE DEVELOPED COUNTRIES IS NOT SO EASY. THERE ARE RESTRICTIONS, NOT BASED ON TAX, AND IMPORT DUTIES AND THE LIKES, BUT MORE ON VARIOUS CONDITIONS ATTACHED TO THE IMPORT OF CARS INTO THOSE COUNTRIES.

IT IS NOT BY ACCIDENT THAT WE SEE IN JAPAN, MOST OF THE CARS ARE OF JAPANESE MAKE.

WE SEE THE SAME IN KOREA, MOST OF THE CARS ARE OF KOREAN MAKE.

IN CHINA, THE CARS ARE OF FOREIGN MAKE, BUT THEY ARE ALL ASSEMBLED AND PRODUCED IN CHINA.

WE CANNOT PENETRATE EITHER OF THESE THREE MARKETS.

AND IT IS THE SAME WITH COUNTRIES LIKE GERMANY WHICH EXPORTS A LOT OF MOTOR VEHICLES TO MALAYSIA, BUT MALAYSIA CANNOT EVEN EXPORT ONE SINGLE CAR INTO GERMANY, SO TODAY, WHEN WE TALK ABOUT FREE TRADE, WE ARE NOT REALLY ADHERING TO THE PRINCIPLES OF FREE TRADE.

NOW, MALAYSIA WOULD LIKE TO THINK THAT DIFFERENT COUNTRIES SHOULD BE TREATED DIFFERENTLY WHEN IT COMES TO FREE TRADE. WE HAVE TO RECOGNISE JUST AS THERE ARE INFANT INDUSTRIES, THERE ARE INFANT NATIONS. NATIONS WHICH ARE JUST BEGINNING TO GROW. THEY NEED TO HAVE SOME PRIVILEGES, SOME PROTECTIONS FOR THEMSELVES BECAUSE THEY ARE NOT IN THE POSITION TO COMPETE WITH THE GREAT TRADING NATIONS, GREAT MANUFACTURING NATIONS OF THE WORLD.

THIS IS WHY WE, AT LEAST WHEN MY OWN COUNTRY SUBSCRIBED TO THE TPPA, I MYSELF WAS NOT VERY KEEN ON IT, BECAUSE I THOUGHT THAT IT WOULD AFFECT MALAYSIA ADVERSELY. AT THAT TIME THE U.S. WAS A PARTNER IN THE TPPA, BUT NOW OF COURSE, WE ARE HAVING THE SAME ORGANISATION, WITHOUT THE SAME PARTICIPATION BY THE U.S. BECAUSE U.S NOW NO LONGER ESPOUSE FREE TRADE, THEY WANT RESTRICTED TRADE.

BUT IN THE NEW ORGANISATION IN EAST ASIA, WE ARE GOING TO HAVE SOME FREE TRADE KIND OF ORGANISATION, BUT I WOULD LIKE TO SAY WHERE COUNTRIES WITH DIFFERENT CAPACITIES TO COMPETE MUST BE GIVEN DUE CONSIDERATION.

IT IS LIKE PLAYING GOLF, WHEN YOU ARE PLAYING GOLF, YOU NEED HANDICAPS. THE WEAKEST PEOPLE GET THE HIGHEST HANDICAPS, SO IN THAT WAY, THE COMPETITION WILL BE MUCH FAIRER.

IT IS THE SAME WITH TRADE. WE HAVE TO CONSIDER THE COUNTRIES WHO ARE JUST GROWING, THEY NEED SOME PROTECTION FOR THEMSELVES. THEY NEED TO HAVE SOME CONSIDERATIONS PAID TO THEIR WEAKNESS AND THEIR LACK OF CAPACITIES.

SO WHEN THE WORLD TODAY TALKS ABOUT FREE TRADE, IT IS QUITE OBVIOUS, THAT EVEN THE DEVELOPED COUNTRIES FIND THAT FREE TRADE IS NOT SO ACCEPTABLE, ESPECIALLY NOW IN AMERICA, WHERE IT IS ACTUALLY INDULGING IN PROTECTED TRADE.

AND IF AMERICA, A HUGE COUNTRY WITH THE BIGGEST ECONOMY IN THE WORLD, THE RICHEST COUNTRY IN FACT, BELIEVES IN RESTRICTION OF TRADE, IT IS NOT JUSTIFIED. BUT FOR SMALL COUNTRIES IT IS JUSTIFIED BECAUSE SMALL COUNTRIES CANNOT COMPETE ON THE SAME TERMS AS THE BIG COUNTRIES.

WHAT IS HAPPENING IN THE WORLD TODAY IS A SWING AWAY FROM THE KIND OF THINKING YOU FIND IN THE 1990s. TODAY THE WORLD IS BECOMING MORE SEPARATE THAN EVER. WE TALK ABOUT NORTH AMERICA, WE TALK ABOUT EUROPE, BUT IN THE EAST, WE HAVE NOT SUCCEEDED IN FORMING ANY COALITION OR GROUPING OF LIKE-MINDED COUNTRIES IN EAST ASIA.

IT IS NOT GOOD FOR US TO ISOLATE INTO GROUPS LIKE THIS AND COMPETE FIERCELY.

IT IS BETTER IF WE HAVE ONE SINGLE GROUPING OF THE WORLD WHICH ARE SUBJECTED TO THE SAME STANDARDS, ACCEPTING THAT WE GIVE DUE CONSIDERATIONS TO THE WEAKNESSES AND STRENGTHS OF THE DIFFERENT NATIONS.

THAT WAY, WE WILL SEE A WORLD MARKET WHERE TRADING IS FREE, BUT DUE CONSIDERATIONS ARE GIVEN TO THE WEAK WHEN COMPETING WITH THE RICH. SO THIS IS WHAT MALAYSIA FEELS ABOUT OUR RELATIONS WITH THE REST OF THE WORLD.

OF COURSE WHAT HAPPENS IN THE WORLD AFFECTS US VERY MUCH.

WE SEE FOR EXAMPLE THAT THE WORLD PROMOTES DEMOCRACY, AND CHANGES OF THE REGIME. DEMOCRACY DOES WORK, IN SOME COUNTRIES, SOME OLD DEMOCRATIC COUNTRIES. IT WORKS VERY WELL.

BUT WE SEE SOME NEW COUNTRIES WHICH DECIDE TO BE DEMOCRATIC, THEY FIND THEMSELVES TODAY WITHOUT A GOVERNMENT, BECAUSE THEY HAVE CONFLICTS THAT ALMOST ALWAYS RESULT IN A DEMOCRACY.

MANY OF THE NEW DEMOCRACIES FIND IT DIFFICULT TO EVEN UNDERSTAND OR PRACTISE DEMOCRACY.

FOR EXAMPLE, IF THEY HAVE ELECTIONS, IT'S NOT ALWAYS THAT THEY LIKE THE RESULT OF THE ELECTION.

ONE OF THE MOST IMPORTANT THINGS IN ELECTION IS THAT THE LOSERS MUST ACCEPT THE RESULT AND WAIT FOR THE NEXT ELECTION.

BUT WE FIND IN MANY NEW DEMOCRACIES, THE LOSERS ARE NOT ALWAYS PREPARED TO ACCEPT THE RESULTS.

INVARIABLY, THEY GO AGAINST THE WINNING PARTY, HARASSING THE WINNING PARTY, GOING ON STRIKES AND HAVING STREET DEMONSTRATIONS AND AS A RESULT, THE DEMOCRATICALLY-ELECTED GOVERNMENT IS UNABLE TO FUNCTION.

IT TAKES TIME FOR PEOPLE TO ABSORB THE CONCEPTS OF DEMOCRACY - THAT THE WILL OF THE PEOPLE, AS EXPRESSED BY THE BALLOT BOX, IS SUPREME.

THE TENDENCY IS ALWAYS TO REJECT WHEN YOU LOSE, AND TO ACCEPT WHEN YOU WIN. THIS HAS GOT TO BE REVERSED, IF PEOPLE ARE GOING TO BECOME DEMOCRATIC.

MALAYSIA IS FORTUNATE, IN THE LAST GENERAL ELECTION, THAT ALTHOUGH THE FORMER PARTY WAS VERY STRONG, THE OPPOSITION WON.

WE HAD EXPECTED SOME TROUBLE. WHEN THE OPPOSITION WON, WE THOUGHT THAT THE GOVERNING PARTY WOULD NOT RELENT, WOULD NOT GIVE IN, TO THE RESULTS OF THE ELECTION. BUT SUCH WAS THE SURPRISE, THEY WERE TAKEN OFF GUARD, AND THEY COULD NOT DO ANYTHING WHEN THEY FOUND THAT THE WHOLE NATION HAS VOTED AGAINST THEM.

AND SO IN MALAYSIA, FORTUNATELY, WE HAD A TRANSITION THAT IS NOT VIOLENT, WE HAD NO...NO BLOOD WAS SHED WHEN THE ELECTION RESULTS WERE MADE KNOWN.

SO IN THAT SENSE, WE WERE VERY FORTUNATE, NOT BECAUSE WE HAD PLANNED FOR IT, BUT BECAUSE ACCIDENTALLY, IT HAPPENED THAT THE GOVERNMENT PARTY HAD DECIDED TO ACTUALLY ACCEPT THE RESULT OF THE ELECTION.

BUT IN MOST OTHER COUNTRIES, NEW DEMOCRACIES, THIS IS NOT ALWAYS HAPPENING. ALMOST INVARIABLY, THE ELECTION RESULTS ARE REJECTED BECAUSE THERE ARE FRAUDS AND FOUL PLAY.

BUT MALAYSIA HAD A LONG EXPERIENCE WITH DEMOCRACY, AND BECAUSE OF THAT WE FIND THAT MALAYSIA HAD A
HAD A SMOOTH TRANSITION OF THE OPPOSITION BECOMING THE GOVERNMENT, AS HAD HAPPENED, WITHOUT ANY VIOLENCE.

ONE OF THE REASONS OF COURSE, IS BECAUSE THE RULING PARTY HAS BEEN IN POWER FOR OVER 60 YEARS, SINCE INDEPENDENCE , PEOPLE NORMALLY GET VERY TIRED OF GOVERNMENTS WHICH ARE IN POWER FOR TOO LONG, AND THEY WISH TO HAVE A CHANGE AND FORTUNATELY THE CHANGE THAT TOOK PLACE IN MALAYSIA WAS DONE WITHOUT ANY VIOLENCE. BUT IT TAKES TIME TO UNDERSTAND, THAT THE BALLOT BOX IS THE DETERMINANT IN A DEMOCRACY.

SO, WE FELT THAT OUR EXPERIENCE IS RATHER ACCIDENTAL RATHER THAN PLANNED.

SO I WILL STOP THERE BECAUSE I BELIEVE THAT THE NEXT PART OF THE TALK IS FOR US TO..
FOR ME TO ANSWER QUESTIONS FROM MODERATOR AS WELL AS FROM THE FLOOR.

SO I WOULD LIKE TO SAY THANK YOU VERY MUCH TO NIKKEI FOR THIS INVITATION AND FOR
THIS OPPORTUNITY FOR ME TO EXPLAIN WHAT HAPPENED IN MALAYSIA RECENTLY AND TO
ENSURE THAT ALTHOUGH OUR GOVT HAS CHANGED, OUR POLICIES TOWARDS OTHER
COUNTRIES ARE STILL THE SAME.

WE WANT TO BE FRIENDLY WITH ALL THE COUNTRIES OF THE WORLD IRRESPECTIVE OF
IDEOLOGIES, AND WE WANT TO ENSURE THAT WE CAN KEEP ON TRADING AND HAVE ACCESS
TO ALL THE MARKETS OF THE WORLD, THAT IS WHAT'S IMPORTANT TO US, BECAUSE WE
DEPEND ON TRADING IN ORDER TO GROW OUR COUNTRY, I THANK YOU.

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