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Venue: SHERATON SUBANG HOTEL
Date : 11-04-2004
Title: OFFICIAL OPENING CEREMONY OF DEFENCE SERVICES
ASIA 2004

On behalf of the Government of Malaysia, I bid you all a very warm welcome to the 9th Defense Services Asia Exhibition and Conference, or DSA 2004 as it is better known. I am delighted to be invited by the organisers to address you this evening and to officially declare open DSA 2004. May I take a moment to express the Government's appreciation to the many foreign participants, ministers, corporate executives, representatives of various government and non-government organizations, for your contribution and participation at DSA 2004.

Your support has made DSA 2004 the second largest tri-services defense and security exhibition in the world, measured in terms of the number of companies and exhibitors. With 550 participants, we are only behind IDEX, a tri-services exhibition held in alternate years in Abu Dhabi in the UAE. I would like to welcome our friends from IDEX 2005 who are also here with us at DSA 2004.

As an economist, I am a great believer in data - in facts and figures. After a quick look at the various statistics on the UAE and Malaysia, and in particular our respective countries' annual output of petroleum, I am pleased to announce that the pulling power of Malaysian crude is slightly better than Emirate crude when it comes to attracting exhibitors. A Malaysian barrel of crude oil attracts about twice the number of exhibitors compared to an Emirate barrel (0.75 vs. 0.35), even though Malaysia produces less oil and our DSA 2004 is smaller than the Use's.

Distinguished guests, ladies and gentlemen

Allow me to move on to a more serious topic as food for thought this evening. And that is to ask ourselves why we are here, at this exhibition of arms and armaments, when the states and governments the world over continue to face the many threats to world peace that appears more elusive

than

ever. Are we in fact strengthening or weakening our search for security and freedom? Let me offer my own perspectives.

It is abundantly clear that the global political and security environment is now more uncertain than ever before. The United States discovered in 2001 that it was no longer safe from large-scale acts of terrorism. Europe was faced with this same reality earlier this year with the Madrid bombings. In between, Southeast Asia became a target for terrorist groups - some disguised as freedom fighters, others simply bent on creating death and disruption. We have seen the emergence of transnational terrorist networks fuelled by frustration at the overwhelming might of western powers, and strengthened by a warped interpretation and abuse of Islam by a small number of misguided, fanatical Muslims.

Nuclear proliferation has accelerated after the end of the cold war, with the global supply chain now so complex and well disguised that any country or company could well end up being part of this network without even realising it. We have witnessed an enfeebled U.N. and a breakdown of the multilateral system in addressing regional conflict and global threats to peace. In its place, we see an emergence of the U.S. As de facto "global policeman" - unilaterally determining where and when it chooses to intervene. "Shock and awe campaigns" in Afghanistan and Iraq, "wrist slaps and vetoes" over Palestine.

Malaysia's view on this current state of affairs is well known. We believe in the principle of self-determination when these rights have been repeatedly acknowledged and morally sanctioned by the world community. We believe there is no place for terrorism and acts of cowardice, whether within our own borders or anywhere else in the world. We have extended our full support and cooperation for measures to counter terrorism - through the United Nations Security Council, bilateral arrangements with friendly states and intelligence sharing via Interpol.

However, just as we seek to identify root causes for mishaps that occur in the military from time to time, whether they are eventually traced to technical failure, a procedural oversight, a human error, the force of nature, or a combination of these factors, so to must we identify the root causes of terrorism. We must seek

to understand the economic, political, social, cultural and religious motivations of groups and individuals who eventually take that misguided and desperate attempt to commit violence against innocent people, often taking their own lives in the process. To fight terrorism effectively, we must not only have a clear plan of action to remedy its root causes, but we must also be seen by those affected to be acting with speed, justice and unwavering commitment.

Ladies and gentlemen

The Malaysian experience in dealing with terrorist threats, from communists guerillas since our independence to more recent militant groups such as the Al-Maunah and fragments of the Jemaah Islamiah network, may serve as a valuable example. The government launched concerted campaigns to educate the public on the dangers of militant groups to racial and religious harmony in Malaysia. Our security forces strengthened common orders to prevent infiltration and escape routes. When apprehended and where appropriate, we favoured rehabilitation, counselling and eventual re-integration of these groups into mainstream society. In dealing with the communists, the government avoided the use of threats and coercion. Instead we sought to understand the reasons why these individuals continued with their struggle, and proceeded to win over their "hearts and minds".

Ladies and gentlemen

In Asean, member countries face additional security threats from multiple sources. Secessionist movements, piracy on the high seas, illegal immigrants, human trafficking, drug trafficking, transnational crime as well as potential flash points over territorial claims. Our economic interests suffer as well whenever collective security is threatened - regions rich with resources, natural beauty and people become potential "no-go zones". Investors both domestic and foreign shy away and seek safe havens for their money elsewhere. Tourists stay at home or take holidays in far less exotic places than Southeast Asia. Economic development stalls, our growth trajectory flattens or reverses, and eventually our people suffer. In some cases, chaos results as people forsake peaceful avenues to

express their discontent, and take the law into their own hands.

How should we address these sources of instability? First, we need to strengthen the deterrence factor and ensure our security forces are adequately prepared and equipped to deal with such threats. Second, we need to understand the root causes through more effective human intelligence, surveillance techniques and counter-terrorism measures.

Third, we need to implement effective confidence-building mechanisms and design appropriate plans that have the support of the parties concerned and that lead to a timely, peaceful resolution of legitimate grievances.

Distinguished guests, ladies and gentlemen

it is against this backdrop of threats to global peace and security, and the need for responses to these challenges at the regional level, that Malaysia plays host to DSA 2004. We view DSA as a valuable gathering for government ministers, armed forces chiefs, global defense industry players, and security and intelligence experts, with three key objectives. First, to view the latest innovation and advances in the hardware and software that is necessary to ensure that governments continue to provide a credible and effective deterrence against threats to the peace - be it within our own borders, our sea lanes, our air space or in international waters and strategic sea lanes in collaboration with other states.

In this context, I am therefore pleased to note that DSA 2004, the 9th in its series, is the most comprehensive and largest exhibition ever and has grown from humble beginnings since 1988. Participating in DSA 2004 are over 550 exhibitors from over 46 countries compared with DSA 1988 which saw 394 exhibitors from 24 countries. The exhibition area has more than quadrupled to 270,000 square feet, and the selection of a new venue - the APAC exhibition centre at the site of our former international airport - is most timely and reflects the growing demand from exhibitors and participants. There will be plenty to see over the next few days, and I hope all of you will take the fullest opportunity to do so.

The second objective of DSA 2004 is to provide a rare

opportunity for senior level participants to exchange notes and share best practices in the selection, procurement, maintenance, upgrading and mobilization of military and security related equipment. I would like to make special mention of the Procurement Information Centre (P.I.C.) that has been set up at DSA 2004 for the first time. The principal purpose of the P.I.C. is to serve as a reference point for exhibitors and trade visitors alike to better appreciate the defense procurement processes and procedures of a number of countries in Asia, Australia and New Zealand.

May I take this opportunity to welcome the 117 dignitaries from 23 countries comprising Ministers of Defense, Secretary Generals, Chiefs of Defense Forces, Service Chiefs, Inspector Generals of Police, Director Generals of Immigration and Customs. I look forward to meeting with a number of you over these next few days and hope you will seize this opportunity at DSA 2004 to interact and exchange notes on the many pressing issues facing us today.

Many economies in the region have recovered from the shocks of the Asian financial crisis and are well on a sustainable growth path. However, while greater emphasis continues to be placed on defense and security issues given global and regional developments, governments will continue to be prudent in managing their budgetary resources, and will seek to extract maximum value, increase efficiencies and catalyze spin offs from their investments in defense and security hardware and software. We should expect some rather tough discussions in these next few days.

The final purpose of DSA 2004 is to provide a platform for increased collaboration among defense industry participants from around the world, to explore potentially new and innovative working arrangements and to seek new partners to further expand on their technical, R&D, assembly and manufacturing base. I am proud to announce that Malaysia is putting up a strong display of our own companies who are beginning to emerge as serious, credible partners with leading global defense players.

DSA 2004 will comprise of 26 group pavilions from countries across the globe. Malaysia has the largest pavilion followed by those from the United Kingdom, Germany, United

States of America, France, Turkey, South Korea and Italy. The participation of 35 Malaysian defense companies on a scale larger than previous DSA exhibitions augurs well for the future of the Malaysian defense industry. I am confident that the 20,000 trade visitors from some 40 countries expected at DSA 2004 will be delighted at the scale and breadth of participation this year.

Ladies and gentlemen

DSA 2004 will also provide an excellent platform for Malaysian defense companies and original equipment manufacturers (OEMS) to strengthen existing strategic alliances and forge new ones. This will certainly lead to more synergistic partnerships that will pave the way for long term growth, profitability and sustainable industrial development. Malaysia is increasingly becoming part of the global supply chain of defense manufacturers. We hope to see more firms like Composite Technology Research Malaysia (CTRM), a Malaysian company that now supplies composite parts and components to airbus industries as well as BAE systems on a worldwide basis. I urge Malaysian companies to aggressively pursue such opportunities at DSA 2004.

The Malaysian government, for its part, will continue to support such collaboration through various mechanisms such as the Malaysian Defense Industry Council (MDIC), Bilateral Defense Industry Cooperation, in-flows of technology, foreign direct investments, and joint ventures as well as offset programmers as part of our defense procurement approach.

Our efforts to establish Malaysia as the region's procurement hub will also be beneficial in fostering goodwill, closer cooperation and bilateral relations among our ASEAN partners. I am confident that DSA 2004 can provide the necessary linkages to widen economic and bilateral relations for us to enhance regional peace, stability and prosperity.

Distinguished guests, ladies and gentlemen

Let me end by wishing all of you a fruitful next few days at DSA 2004. I would like to register my appreciation to the organizers of DSA 2004 for your untiring efforts in taking DSA to greater heights. I wish all of you who have made the long journey here, a pleasant and rewarding stay in Malaysia.

Thank you and good evening.

Office of the deputy prime minister
Malaysia