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YBhg. Dato' Syed Amin Aljeffri
Chairman of the ASEAN Business Advisory Council for Malaysia

YBhg. Tan Sri Azman Hashim

Distinguished Country Chairmen and Members of the ASEAN Business Advisory Council

Participants of the 2005 ASEAN Business & Investment Summit

Excellencies, Ladies and Gentlemen

1. Let me start by doing what is customary here in Malaysia and thank the organizers – the ASEAN Business Advisory Council and ASLI – for the kind invitation for Rosmah and I to join you at tonight's dinner. Let me also extend a warm welcome to those of you who are visiting us for the first time. I hope you have been warmly received and that your impressions of Malaysia will be memorable enough for you to come back and visit us again.

2. I was told many of you were treated to an international batik display yesterday evening. [This revival of Malaysian arts and culture has been led by the late Datin Seri Endon Mahmood, wife of our Prime Minister, and you have been fortunate to catch a glimpse of what we have been able to achieve under her inspiring patronage]. Malaysia is also a nation of food lovers, as I am sure you would have discovered by now. In other parts of the world, people "eat to live" – here, Malaysians will tell you that we "live to eat". We are also jovial people. If you are not yet convinced, Tan Sri Azman Hashim and his group of singers, and a few others (I am told), will prove this to you before the evening is over.

Ladies and Gentlemen,

3. You have had two very hectic and I trust fruitful, days of conferencing at the 2005 ASEAN Business & Investment Summit. Tomorrow, a number of business leaders among you will be given the privilege and honour of participating in a Special Leaders Dialogue with Heads of State and Government. I shall not therefore, burden you with a lengthy speech and diminish the "rest and relief" that tonight's dinner is meant to offer. Business is all about commitment and undertakings. I therefore commit to be brief with my words, to be gracious with my tone and to be firmly seated before you stop listening.

4. In the few minutes that I have, let me leave you with a key message as food for thought: as businessmen and corporate leaders, you must come to see that an ASEAN-centric strategy is as important, as pivotal, as crucial for growth and profitability as the plans you have developed for your respective domestic market. I

believe the time has come for business to operate with an “ASEAN first” mindset.

5. What does this “ASEAN first” mindset mean? It should mean that when our companies expand and invest abroad, ASEAN countries should naturally be their first choice investment destination. Not because politicians encourage them to do so, but because when they analyse the risks, the opportunities, the markets, the governments and the incentives, they consistently find that investing in ASEAN makes the most financial and commercial sense. Companies must think ASEAN.

6. For over two decades, much of our region’s growth was fuelled by strong flows of foreign direct investment, primarily from multinational companies in developed economies that brought with them much needed capital, technology and skills. Many of these companies faced intense competition at home, and therefore had little choice but to expand abroad. Southeast Asia became an attractive investment location. We had relative stable governments, investor friendly policies, large markets and a well trained, disciplined labour force. These companies prospered when they came to this region, and so did the peoples and governments of Southeast Asia.

7. Today, these FDI flows are being diverted to capture opportunities in the new economic giants of Asia – China and India. As flows from outside the region begin to diminish, companies from within Southeast Asia should find themselves in a strong position to expand regionally. Those of us with high domestic savings rates and strong capital account surpluses, will have to recycle much of these funds abroad. And investing a large part of these funds in ASEAN is the most natural step to take. AFTA has and will continue to make it easier and more compelling for cross border trade and investment. The question is, for whom?

8. Let us examine the trends. True to our mercantile roots, intra-ASEAN trade has been expanding steadily. We traded some US\$220 billion with each other last year, up by about US\$50 billion from 2003. However, our investments in each other (intra-ASEAN) have been holding steady at around US\$2 billion annually for the last few years. Compare this to investments from outside ASEAN: US\$26 billion last year, up from US\$19 billion in 2003.

9. The message to us should be as obvious as day: those within ASEAN must strategise and capitalise on the opportunities of AFTA, because our trading and investment partners from outside the region are doing precisely this. Companies and businessmen in Southeast Asia should stand to benefit most from AFTA. If we look at the other great example of economic integration – the European Union – we will know that the greatest beneficiaries have been people and companies living and operating within the Union. AFTA must become relevant and beneficial for the people and companies of Southeast Asia. Otherwise, AFTA would have failed in its most basic objective.

10. An “ASEAN first” mentality must also mean that we begin to invest “emotional capital” in what we do across the region. As an example, we should appreciate, welcome and expand the success symbols that are emerging here in Southeast Asia. In each and every ASEAN country, we have brands that have achieved “superbrand” status and are household names. Many are global brands owned by global firms. But a small number of home grown brands are also starting to emerge. Some have even achieved regional fame. This said, we must ask ourselves, why are the vast majority of these brands – these companies, products and services – not better known in the

rest of Southeast Asia? Companies must do much more to promote their brands across Southeast Asia. Tourism, education and labour mobility are equally powerful levers for integration, as they serve to expose and educate us about one another. We should do more to facilitate the growth of such activities. Taken together, trade, investment and tourism they not only help to create the awareness of products and services, but also help us to associate these products and services with countries, people and places. We must discover the "emotional element" in our partnerships, so that we not only "think" ASEAN but also "feel" ASEAN.

11. In short, making ASEAN come first requires us – companies, governments and the community – to grasp the compelling logic that it is in our own best interests to make ASEAN our collective priority. For companies, ASEAN must become the natural home market and investment destination. For governments, the ASEAN spirit of goodwill, tolerance and cooperation must be made sacrosanct. And for the peoples of Southeast Asia, ASEAN must have an impact on their daily life for it to be made real and relevant. If we are able to achieve all of this, if we can collectively feel and nurture this sense of ASEAN-ness, then we are truly on the path to building that "one vision, one identity, one community" for ASEAN.

Thank you.