

THE APEC BUSINESS ADVISORY COUNCIL (ABAC) GALA DINNER
23/05/2012

Bismillahirrahmanirrahim.

Assalamualaikum Warahmatullahi Wabarakatuh, A Very Good Evening and Salam Satu Malaysia.

Mr. Ziyavudin Magomedov;
Chairman of APEC Business Advisory Council (ABAC),

Yang Berhormat Datuk Seri Mustapa Mohamed;
Minister of International Trade and Industry,

Yang Berhormat Dato' Sri Anifah Hj. Aman;
Minister of Foreign Affairs,

Yang Berhormat Dato' Seri Utama Dr. Rais Yatim;
Minister of Information, Communications and Culture,

Yang Berbahagia Tan Sri Azman Hashim;
Chairman of AmBank Group and Member of APEC Business Advisory Council,

Your Excellencies,

Distinguished guests, Ladies and Gentlemen.

1. A very warm welcome to all of you. I see some familiar faces in the audience here but I notice that there are also some who are visiting Kuala Lumpur for the first time. To all I say Selamat Datang, and Salam 1Malaysia.

2. As many of you know, Malaysia has always been of the view that this Business Advisory Council has an important role to play in APEC. APEC seeks to facilitate trade and economic relations between economies, and surely it must take into account the views of the private sector - the people who actually run the businesses that keep our economies going - in its decision-making.

3. Without being too pedantic about it, I think it is true that policymakers tend to be guided by a wish list of things they like to see happen, rules they like to see enforced. But businessmen are practical people. They have a better feel for what works and what doesn't. So I think it is useful to have both kinds of inputs when making decisions in APEC.

4. ABAC's practical approach to problem solving is also reflected in the theme you have chosen for your work this year. APEC's agenda for 2012 comes with the grand sounding title of "Integrate to Grow, Innovate to Prosper". Your theme, "From Aspiration to Reality", is more down to earth. It focuses on achieving results, on converting ideas into outcomes that have a real impact on the ground.

5. Take, for example, your proposition that Small and Medium Enterprises can be an instrument to promote regional integration. In most countries, SMEs are the biggest employer of the working population. They contribute to a large proportion of GDP. They bring vibrancy and creativity to our economic enterprises, and are often the source of new ideas and innovations. In short, they constitute an important part of the economic and social structure of our societies.

6. So the argument you are making can be framed this way: if we can help our SMEs to develop, if we can link them up and get them integrated into regional and global supply chains, the goal of cross-border integration will certainly be well served. This, I must admit, is a rather novel way to look at regional integration.

7. Your other work programme focuses on promoting Technology Transfer, on assisting emerging economies acquire new technologies. Technology is not an asset like raw materials, infrastructure or bricks and mortar. Technology is intellectual property, the kind of asset that is most difficult to acquire. To develop, nations need technology. Without technology, it will be difficult to convert other assets into productive assets that can be used for economic development.

8. So you have set for yourselves an enviable task: to arrange for technologies to be shared across borders, for developed countries to help developing countries. If indeed you can help distribute intellectual wealth across borders in a way that will benefit more people, you will have achieved a noble objective.

Ladies and Gentlemen,

9. I just want to say a few words, about how the Malaysian Government is looking at some of the problems we have been talking about. Like you, we are focussed on achieving four objectives:

- First, is the adoption of new technologies.

10. Our transition to a high income economy will be based on productivity-driven growth, and this will depend to some extent on how we incorporate new technologies into our economic life. As some of you may be aware, we are now more selective in our search for foreign investment. We are looking for not just any FDI, but “quality” FDIs. By this we mean investments that bring in high technology, green and alternative energy technologies, and knowledge intensive industries. These are the kinds of technologies we need to make the transition from a middle income to a high income nation.

- Second, is the adoption of a culture of competitiveness and innovation.

11. To make the transition from developing to developed status, we need to change the way we think and the way we do things. Changing the way we do things is not difficult. Tell someone how to do something or give him the tools to do it and he will get it done. But knowing what to do in the first place is more difficult. It requires originality of thought. And it also requires people to be creative and innovative. So that is a first requirement – to promote a culture of innovation and creativity.

12. To complement that we also need to develop a culture of competitiveness, a way of thinking that values continuous improvement. If we do not strive to be competitive, especially in business, it will be difficult for us to compete in the international arena as a nation. So, cultivating a culture of competitiveness is also a priority.

- Third, we need to take advantage of the opportunities offered by globalization.

13. We live in a globalised world. It is now possible for nations to reach out to each other and work for mutual benefit. But you can choose to open doors and facilitate access, or shutter down and stay behind protectionist barriers.

14. Malaysia has chosen the former path. We believe in free trade and the dismantling of protectionist barriers. We have progressively reduced tariff barriers and facilitated foreign participation in our economy. We have pursued this agenda in ASEAN and through the free trade agreements we have signed with a number of countries. This is our stand and we will continue to work to promote this agenda.

- Fourth, and most importantly, we transform.

15. Structural transformation initiatives in Malaysia are multi-pronged. In 2010, I launched the New Economic Model, putting into perspective the efforts that Malaysia has to focus on, in order to achieve our vision to become a high income nation by 2020. From this, the Government Transformation Programme (GTP) and Economic Transformation Programme (ETP) were charted and efforts are now well under way.

16. In 2011, the Government Transformation Programme produced the following results under seven National Key Result Areas (NKRA):

- Under the Reducing Crime NKRA, street crime is down by 39.7% and Malaysia is considered the 4th safest country in the Asia Pacific region;

- Under the Fighting Corruption NKRA, 64 companies in Malaysia signed the Corporate Integrity Pledge (CIP) and for the first time ever, a system awarding public servants who report corruption was introduced;

- Under the Improving Student Outcomes NKRA, among close to 900,000 students who underwent the literacy and numeracy screening, all groups recorded more than 90 per cent literacy and numeracy rates;

- Under the Raising Living Standards of Low Income Households NKRA, 63,147 poor households' standard of living was elevated through a programme to provide economic opportunities for enhancing productive capacity of poor households;

- Under the Improving Rural Basic Infrastructure NKRA, 3.2 million rural lives were elevated through the improvements of rural infrastructure including roads, clean water, electricity and house refurbishment.

- Under the Improving Urban Public Transportation NKRA, a major city bus terminal was transformed into a world-class terminal facility; and

- Based on public feedback, Addressing the Rising Cost of Living NKRA was introduced in July 2011.

Ladies and Gentlemen,

17. The point of all this, is to give you a perspective of what we conceive our role in APEC to be. As you know, APEC itself is a work in progress. Its role is constantly being defined. We are part of this evolving new world. But to play our proper role in it, we must first fulfil our own promise, and that is to become a fully developed modern nation. So those are our priorities, our agenda for the future. As I said just now, ABAC has also clearly spelled out its priorities for this year.

18. I would like to take this opportunity to invite investors from APEC countries to take a close look at the many investment opportunities that Malaysia offers. An investment here is not only an investment in Malaysia, It is a gateway to expand your trade and investment in emerging Asian economies.

Ladies and Gentlemen,

19. Besides your tight schedule and fruitful meeting in Kuala Lumpur, I believe that you had a fantastic day toured around our interesting places here and tasted our delicious Malaysian food. I hope that you found it interesting and I wish you success in your work programme.

Thank you.

Wabillahitaufik Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.