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**Title : "MALAYSIA'S INTERNATIONAL DIRECTION IN THE NEXT MILLENIUM"**

MR. CHAIRMAN,

EXCELLENCIES, DISTINGUISHED GUESTS, LADIES AND GENTLEMEN,

I AM HONORED BY THE INVITATION EXTENDED TO ME, BY THE NATIONAL INSTITUTE OF PUBLIC ADMINISTRATION, TO SPEAK ON THE SUBJECT CONCERNING "MALAYSIA'S INTERNATIONAL DIRECTION IN THE NEXT MILLENIUM" AT THIS EXECUTIVE SERIES TALK.

2. LET ME BEGIN BY SAYING THAT I FIND THIS SUBJECT MOST CHALLENGING. WHO COULD FORECAST WITH CERTAINTY WHAT LIES AHEAD A COUPLE OF YEARS HENCE, MUCH LESS IN THE NEXT MILLENIUM? DEVELOPMENTS IN THE WORLD UNFOLD AT SUCH A RAPID PACE BEFORE OUR VERY EYES.

3. I BELIEVE, NEVERTHELESS, THAT DESPITE UNCERTAINTIES AND LOCALIZED TROUBLE SPOTS, RELATIVE PEACE WILL PREVAIL IN THE DECADES TO COME AND WE WILL NOT LIKELY SEE IN THE FORESEEABLE FUTURE A GLOBAL WAR LIKE THOSE WHICH TOOK PLACE DURING THE FIRST AND SECOND WORLD WARS.

4. OBVIOUSLY, MALAYSIA'S INTERNATIONAL DIRECTION IN THE NEXT MILLENIUM WILL BE INFLUENCED NOT ONLY BY EXTERNAL DEVELOPMENTS BUT ALSO INTERNAL FACTORS. FOREIGN POLICY IS AFTER ALL AN EXTENSION OF DOMESTIC POLICY. FORTUNATELY, MY TASK OF FORECASTING THE FUTURE OF MALAYSIAN FOREIGN POLICY IS RELATIVELY EASY BECAUSE MALAYSIA'S NATIONAL DIRECTION HAS IN FACT BEEN ENUNCIATED BY PRIME MINISTER DATO' SERI DR. MAHATHIR MOHAMAD IN VISION 2020. THIS VISION WILL STAY ON COURSE BECAUSE I ALSO BELIEVE THAT THE BARISAN NASIONAL WILL CONTINUE TO BE AT THE HELM OF GOVERNMENT IN MALAYSIA FOR DECADES TO COME.

5. VISION 2020 HAS CHARTED THE PATH FOR MALAYSIA TO BECOME A FULLY DEVELOPED NATION, IN ITS OWN MOULD, IN ALL DIMENSIONS, BY THE YEAR 2020. MALAYSIA'S INTERNATIONAL DIRECTION MUST THEREFORE BE GEARED TO ATTAINING THIS FUNDAMENTAL OBJECTIVE, TAKING INTO ACCOUNT THE DYNAMIC AND COMPLEX EXTERNAL ENVIRONMENT.

6. IN THE NEW MILLENIUM, GLOBALIZATION AND THE REVOLUTION IN INFORMATION AND COMMUNICATION TECHNOLOGY WILL PROCEED APACE. THE FLOW OF CAPITAL, GOODS, SERVICES, IDEAS, INFORMATION WILL CONTINUE UNABATED. WHILE THE DEVELOPED WORLD WILL BENEFIT MOST FROM THIS PROCESS, THE DEVELOPING COUNTRIES PARTICULARLY MUST BE ALERT TO THE UNSETTLING CHALLENGES THAT LIE AHEAD.

7. GLOBALIZATION INCREASES COMPETITIVE PRESSURES ON DOMESTIC MARKETS. IT ALSO ALLOWS FOR SUDDEN AND MASSIVE MOVEMENTS OF CAPITAL IN AND OUT OF THE COUNTRY AND IN PROCESS, DESTROYS WHOLE ECONOMIES. WITNESS THE RECENT ASIAN FINANCIAL CRISIS AND THE PROFOUND IMPACT IT HAS WROUGHT ON THE WELLBEING OF NATIONS. WITNESS ALSO THE CHANGES, WHICH THE INFORMATION AND COMMUNICATION REVOLUTION HAS WROUGHT ON THE LIVES OF PEOPLE, THEIR CULTURE, SOCIETIES AND SYSTEMS.

8. ASIDE FROM STATE-ACTORS, THE NEW MILLENIUM WILL WITNESS A MULTIPLICITY OF NON-STATE ACTORS COMPETING TO BE HEARD IN THE CONDUCT OF INTERNATIONAL AFFAIRS. RANGING FROM NON-GOVERNMENTAL ORGANIZATIONS TO MULTINATIONAL CORPORATIONS, THEY WILL INCREASINGLY SEEK TO PROMOTE THEIR PARTICULAR CONCERNS. NON-GOVERNMENT ORGANIZATIONS, IN PARTICULAR, HAVE BEEN SUCCESSFUL IN BUILDING INTERNATIONAL COALITIONS TO ADVANCE THEIR AGENDA. THEIR CAMPAIGN, FOR INSTANCE, HAD STOPPED THE OECD RIGHT ON ITS TRACK FROM ADOPTING THE MULTILATERAL AGREEMENT ON INVESTMENT. MULTINATIONAL CORPORATIONS ON THE OTHER HAND ARE ENDEAVORING TO CHANNEL THEIR NARROW COMMERCIAL INTERESTS THROUGH THE TRADE AND INVESTMENT POLICIES OF THE DEVELOPED COUNTRIES.

9. ISSUES THAT TRANSCEND NATIONAL BOUNDARIES ARE GROWING IN SCOPE AND GAINING HEIGHTENED PROMINENCE IN REGIONAL AND INTERNATIONAL AFFAIRS. FOR EXAMPLE, THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION THREATENS NOT ONLY INDIVIDUAL COUNTRIES BUT ALSO MANKIND AS A WHOLE. GREATER REGIONAL COOPERATION WILL BE NEEDED TO COMBAT TRANSNATIONAL CRIMES, ILLICIT DRUG FLOWS, REGIONAL HAZE, TO CITE A FEW EXAMPLES.

10. AS THE DEVELOPED COUNTRIES CONTINUE TO PROSPER, THEIR FOREIGN POLICIES WILL NOT ONLY BE CONCERNED WITH ISSUES SUCH AS TRADE AND INVESTMENT. THEIR FOREIGN POLICES WILL BECOME MORE VALUES DRIVEN, IN BOTH THE BILATERAL AND MULTILATERAL CONTEXT. TRANSPARENCY, ACCOUNTABILITY, GOOD GOVERNANCE, DEMOCRACY, HUMAN RIGHTS, BASED ON THE WESTERN MODEL, WILL BE PRESSED ON THE DEVELOPING WORLD WITH EVEN GREATER INTENSITY. DIFFERENT HISTORICAL TRADITIONS, DIFFERENT LEVELS OF DEVELOPMENT AND THE ABSENCE OF A LEVEL PLAYING FIELD WILL BE SIMPLY IGNORED.

11. IN THIS COMPLEX ENVIRONMENT, INDIVIDUAL GOVERNMENTS HAVE LIMITED CONTROL OR ROOM FOR MANEUVER. YET, PARADOXICALLY, MANY SITUATIONS WILL STILL REQUIRE INTERVENTION BY GOVERNMENTS, WHETHER SINGLY OR IN CONCERT WITH OTHERS, TO PROVIDE AN ENABLING ENVIRONMENT OR TO CORRECT THE SYSTEMIC EXCESSES.

12. FOREIGN POLICY MUST THUS ADJUST TO THE CHALLENGES OF THE NEW MILLENNIUM. IN THIS RESPECT, THERE WOULD BE NO PROBLEM FOR MALAYSIA BECAUSE CHANGE IN THE CONTEXT OF A THEMATIC CONTINUITY HAS ALWAYS BEEN A FEATURE OF MALAYSIA'S FOREIGN POLICY, AS ITS EVOLUTION SINCE 1957 WOULD DEMONSTRATE. THIS IS QUITE NATURAL BECAUSE THE ENDURING OBJECTIVE OF ANY FOREIGN POLICY IS TO BE RELEVANT, AT ALL TIMES, FOR THE PROTECTION AND PROMOTION OF THE NATIONAL INTEREST.

13. FROM THE NATIONAL STANDPOINT, MALAYSIA MUST HOWEVER GEAR ITSELF FOR SOME VERY ROUGH SAILING AHEAD IN THE SEA OF INTERNATIONAL AFFAIRS OF THE NEW MILLENNIUM.

14. MALAYSIA'S EXTERNAL ENVIRONMENT, IN PARTICULAR ITS REGIONAL NEIGHBORHOOD, MUST BE MADE CONDUCTIVE FOR STEADY ECONOMIC GROWTH AND DEVELOPMENT. A STABLE ENVIRONMENT IN EAST ASIA IS ESSENTIAL, ESPECIALLY FOR MALAYSIA, WHICH IS SITUATED IN THE CENTER OF SOUTHEAST ASIA AND SHARING BORDERS WITH MOST OF ITS ASEAN NEIGHBORS.

15. TO PROMOTE A STABLE ENVIRONMENT, MALAYSIA ON ITS PART WILL CONTINUE TO NURTURE POSITIVE INTERSTATE RELATIONS WITH OTHER COUNTRIES, ESPECIALLY ITS NEIGHBORS AND THOSE COUNTRIES OF PARTICULAR IMPORTANCE TO MALAYSIA. MALAYSIA WILL ALSO WORK TO STRENGTHEN REGIONAL COOPERATION. THESE TWO ELEMENTS WILL REPRESENT THE CONSTANT IN MALAYSIA'S FOREIGN POLICY IN THE YEARS AHEAD.

16. EVEN WHEN IRRITANTS EXIST IN PARTICULAR CONTEXTS, MALAYSIA WILL NONETHELESS CONTINUE TO FOSTER GOOD BILATERAL RELATIONS, IN BOTH SCOPE AND DEPTH, WITH OTHER COUNTRIES. PROCEEDING ON THIS BASIS SERVES THE INTERESTS OF ALL PARTIES CONCERNED IN THE LONG TERM. POSITIVE BILATERAL RELATIONS REPRESENT THE BASIC BUILDING BLOCK FOR REGIONAL AND INTERNATIONAL COOPERATION. WITH THIS VIEW IN MIND, MALAYSIA WILL CONTINUE TO ADOPT WIN-WIN FORMULAS AND RESOLVE ALL DIFFERENCES PEACEFULLY, THROUGH NEGOTIATIONS.

17. FOR PURPOSES OF ATTAINING ITS REGIONAL OBJECTIVES, AND FOR PURPOSES OF SUSTAINING STRENGTH IN NUMBERS, MALAYSIA WILL THEREFORE CONTINUE TO PROMOTE REGIONALISM. THIRTY-TWO YEARS AGO, THE FOUNDING FATHERS BROUGHT ASEAN INTO BEING BECAUSE THEY FIRMLY BELIEVED THAT PEACE, FREEDOM, SOCIAL JUSTICE AND ECONOMIC WELLBEING WERE BEST ATTAINED BY FOSTERING GOOD UNDERSTANDING, GOOD NEIGHBORLINESS AND MEANINGFUL COOPERATION AMONGST COUNTRIES IN THE REGION. IN THE FACE OF THE

GROWING TIDE OF GLOBALIZATION, SOUTHEAST ASIAN COUNTRIES WOULD NEED TO CONTINUE TO SEEK STRENGTH IN NUMBERS THROUGH SUCH REGIONAL GROUPINGS AS ASEAN.

18. CLEARLY, ASEAN WILL REMAIN THE CORNERSTONE OF MALAYSIA'S FOREIGN POLICY. COOPERATING THROUGH ASEAN, ON BASIS OF ACCEPTED CODES IN THE CONDUCT OF RELATIONS BETWEEN MEMBERS, HAS ENABLED SOUTHEAST ASIAN COUNTRIES TO MANAGE THEIR DIVERSITY AND ESTABLISH IN THE REGION A GENERALLY PEACEFUL ENVIRONMENT. ASEAN MEMBER STATES HAVE MADE GOOD USE OF THE PEACEFUL CONDITIONS TO FOCUS ON NATION-BUILDING AND ECONOMIC DEVELOPMENT.

19. COOPERATING TOGETHER HAS ALSO ENABLED ASEAN TO SUCCESSFULLY UNDERTAKE VARIOUS STRATEGIC INITIATIVES OF ITS OWN AT THE REGIONAL LEVEL. BRINGING INTO BEING THE ASEAN TEN, USHERING INTO REALITY THE SOUTHEAST ASIA NUCLEAR WEAPON FREE ZONE, INCREASING THE RELEVANCE OF THE ASEAN REGIONAL FORUM AND DEVELOPING, IN COLLABORATION WITH CHINA, A REGIONAL CODE OF CONDUCT FOR THE SOUTH CHINA SEA, ARE SOME OF THE EFFORTS BEING UNDERTAKEN - WHICH WILL CONTINUE WELL INTO THE NEXT MILLENNIUM - TO ENTRENCH REGIONAL PEACE, STABILITY AND PROSPERITY.

20. THROUGH REGIONAL DIALOGUE PROCESSES SUCH AS THE ASEAN REGIONAL FORUM, MALAYSIA WILL WORK TO PROMOTE GREATER UNDERSTANDING, TRANSPARENCY, MUTUAL TRUST AND THUS REGIONAL STABILITY BY FOSTERING IN PARTICULAR STABLE STRATEGIC RELATIONS AMONG THE MAJOR PLAYERS PRESENT IN THE REGION SUCH AS CHINA, JAPAN, RUSSIA AND THE UNITED STATES.

21. REGIONAL ECONOMIC INTEGRATION AND COOPERATION WILL NEED TO BE INTENSIFIED IN ORDER TO ENSURE FOR REGIONAL COUNTRIES, THEIR COMPETITIVENESS IN TRADE AND ATTRACTIVENESS AS AN INVESTMENT AREA. ASEAN FOR INSTANCE IS PROCEEDING AHEAD WITH AFTA AND AIA. IN RESPONSE TO THE FINANCIAL CRISIS, ASEAN ESTABLISHED THE ASEAN SURVEILLANCE PROCESS IN OCTOBER 1998, AIMED AT PREVENTING OR MITIGATING THE EFFECTS OF FUTURE CRISIS THROUGH AN EARLY WARNING SYSTEM AND REGIONAL ECONOMIC SURVEILLANCE OF MACROECONOMIC AND FINANCIAL INDICATORS.

21. ASEAN WILL HAVE TO TAKE INTO ACCOUNT THE TRANSFORMATION THAT IS TAKING PLACE IN THE REGIONAL AND GLOBAL SCENE. TO REMAIN VIABLE, ASEAN WILL HAVE TO STRENGTHEN ITS COHESION. THE JUST CONCLUDED 32ND ASEAN MINISTERIAL MEETING RECOGNIZED THIS WHEN IT UNDERLINED ASEAN'S COMMITMENT TO CONTINUALLY SHAPE AN ASEAN THAT IS ATTUNED TO THE CHALLENGES OF THE TIMES. MALAYSIA WILL DO ITS BIT TO ENSURE THAT ASEAN REMAINS RELEVANT TO THE REGION AND TO ITS PEOPLE.

22. ALTHOUGH THE PROCESS OF GLOBALIZATION WILL REDUCE THE ECONOMIC SEPARATION NOT ONLY BETWEEN COUNTRIES BUT ALSO BETWEEN REGIONS,

MALAYSIA SEES BENEFITS FROM COOPERATION IN A WIDER REGIONAL CONTEXT. IN THE COMING DECADES, I BELIEVE SOUTHEAST ASIA WILL NEED TO FORGE EVEN STRONGER BONDS WITH COUNTRIES OF NORTHEAST ASIA. MALAYSIA WILL THEREFORE REMAIN A FIRM ADVOCATE OF THE STRATEGIC AND ECONOMIC IMPORTANCE OF COOPERATION WITH CHINA, JAPAN AND THE REPUBLIC OF KOREA, AT THE ASEAN+3 CONTEXT. THE RISE OF MORE POWERFUL CHINA APPEARS INEVITABLE WHILE JAPAN WILL REMAIN THE STRONGEST ECONOMY IN EAST ASIA, AT LEAST IN THE FORESEEABLE FUTURE. THE REPUBLIC OF KOREA FOR ITS PART HAS ALL THE POTENTIALS TO DEVELOP INTO A MAJOR REGIONAL PLAYER. AS UNDERSCORED BY THE ASIAN FINANCIAL CRISIS, THE DESTINY OF SOUTHEAST ASIAN COUNTRIES IS INEXTRICABLY LINKED TO ITS NORTHEAST ASIAN NEIGHBORS. IT BEHOOVES ON EAST ASIAN COUNTRIES TO CONSULT TOGETHER ON PROBLEMS CONFRONTING THE REGION, EVOLVE COMMON UNDERSTANDING AND APPROACHES AND PROMOTE THEM AT OTHER GLOBAL FORUMS.

23. APART FROM PROMOTING POSITIVE INTER-STATE RELATIONS AND REGIONAL COOPERATION, MALAYSIA HAS ALSO BEEN PROACTIVE AT THE MULTILATERAL LEVEL. THIS WILL BE ANOTHER ENDURING FEATURE OF MALAYSIA'S FOREIGN POLICY. MALAYSIA PARTICIPATES IN THESE FORA, INTERALIA, TO PROMOTE THE INTERESTS AND RIGHTS OF DEVELOPING COUNTRIES AND BE ENGAGED IN THE EVOLUTION OF UNIVERSAL PRINCIPLES, NORMS, STANDARDS AND RULES ON ISSUES THAT AFFECT THE WORLD COMMUNITY. COALITIONS OR CAUCUSES SUCH AS THE NON-ALIGNED MOVEMENT (NAM) AND THE ORGANIZATION OF ISLAMIC CONFERENCE (OIC) WILL CONTINUE TO BE RELEVANT, AT THE GLOBAL LEVEL, TO PROVIDE CLOUT TO COUNTRIES IN THE DEVELOPING WORLD.

24. MALAYSIA WILL CERTAINLY CONTINUE TO BE AN ACTIVE PARTICIPANT OF THE MULTILATERAL SYSTEM. MALAYSIA WILL HAVE TO BE INVOLVED SERIOUSLY IN THE DISCUSSIONS AND NEGOTIATIONS LEADING TO INTERNATIONAL AGREEMENTS IN AREAS SUCH AS FINANCE, TRADE OR THE ENVIRONMENT. INDEED, "MULTILATERALIZING" AN AGENDA AND BUILDING COALITIONS WITH LIKE-MINDED PARTIES MAY BE THE ONLY OPTION FORWARD TO BUILD MOMENTUM FOR REFORMS WHICH CAN CATER FOR THE NEEDS OF SMALL COUNTRIES LIKE MALAYSIA, WHOSE VOICES MAY OTHERWISE NOT BE HEARD AT ALL.

25. MALAYSIA WILL REMAIN IN THE FOREFRONT OF REFORMS OF THE INTERNATIONAL SYSTEM. IN THIS ENDEAVOR, MALAYSIA WILL NEED THE SUPPORT OF ALLIES FROM AMONG THE SOUTH COUNTRIES - THROUGH ASEAN AND OTHER SOUTH GROUPS SUCH AS THE GROUP OF 15 (G15) AND THE GROUP OF 77 AND, OF COURSE, SYMPATHETIC VOICES FROM THE DEVELOPED WORLD. MALAYSIA WILL CONTINUE TO REMAIN STRONGLY COMMITTED TO SOUTH-SOUTH COOPERATION, NOT ONLY IN TERMS OF SHARING TECHNICAL KNOWLEDGE BUT ALSO IN TERMS OF INCREASING SOUTH-SOUTH TRADE AND INVESTMENT.

26. GLOBALIZATION HAS CAUSED INCREASES IN THE NUMBER AND RANGE OF ISSUES COMING BEFORE INTERNATIONAL ORGANIZATIONS AND SPECIALIZED AGENCIES. NEVERTHELESS, DUE TO THE DISPARATE INTERESTS OF PARTIES INVOLVED, MALAYSIA WOULD NEED TO BE MORE CIRCUMSPECT REGARDING WHAT COULD BE ACHIEVED THROUGH MULTILATERALISM. LIMITED NATIONAL

RESOURCES REQUIRES THAT PRIORITIES BE ESTABLISHED AND THAT MALAYSIA FOCUSES ON THOSE ISSUES WHICH MATTER MOST TO US AS A RELATIVELY SMALL COUNTRY.

27. FOREMOST AMONG THE WORLD BODIES WOULD BE THE UNITED NATIONS (UN) ITSELF AND THE WORLD TRADE ORGANIZATION (WTO). THE WORLD BANK WILL REMAIN IMPORTANT AS A SOURCE OF MULTILATERAL FUNDING FOR DEVELOPMENT. THE INTERNATIONAL MONETARY FUND (IMF), WHICH WILL CONTINUE TO INFLUENCE THE INTERNATIONAL FINANCIAL SYSTEM, MUST BE REFORMED IF IT IS TO SERVE THE INTERESTS OF ALL COUNTRIES.

28. MALAYSIA WILL CONTINUE TO USE THE PLATFORMS AVAILABLE TO SPEAK ON GLOBAL ISSUES SUCH AS DEVELOPMENT, MOBILIZATION OF ADDITIONAL AND NEW RESOURCES, ENVIRONMENTAL DEGRADATION, DEMOCRACY, NON-PROLIFERATION ISSUES, REFORM OF THE UNITED NATIONS AND THE NEED TO BRING INTO BEING A NEW INTERNATIONAL FINANCIAL ARCHITECTURE. MALAYSIA WILL CONTINUE TO ADVOCATE THAT THE UNITED NATIONS BE ALLOWED, IN A JUST AND EQUITABLE MANNER, TO DEAL EFFECTIVELY WITH SUBJECTS SUCH AS GLOBAL DEVELOPMENTAL MATTERS, ISSUES OF PEACE AND SECURITY, HUMANITARIAN ACTIVITIES, VIOLATIONS OF THE UN CHARTER AND PRINCIPLES OF INTERNATIONAL LAW.

29. THE ROLE OF THE UNITED NATIONS SHOULD BE ENHANCED, NOT DIMINISHED. THE UN AS WE KNOW IT TODAY WAS THE CREATION OF THE VICTORS OF THE SECOND WORLD WAR. THE DYNAMICS, WHICH SHAPED THE UN IN ITS PRESENT MOULD, ARE NO LONGER RELEVANT. FOR THE LAST FIFTY YEARS, THE UN SERVED VERY MUCH THE PURPOSES INTENDED BY ITS CREATORS. AT THE TIME OF ITS CREATION IN 1948, THE UN HAD A MEMBERSHIP OF ONLY FIFTY-ONE. AT THE TURN OF THE 20TH CENTURY, THE MEMBERSHIP HAS GROWN TO 185. IN THE NEXT FIFTY YEARS, THE PURPOSES AND FUNCTIONS OF THE UN SHOULD REFLECT THIS FUNDAMENTAL CHANGE IN THE NUMBER AND NATURE OF ITS MEMBERSHIP.

30. MALAYSIA ACCEPTS THAT INTERNATIONAL RELATIONS IN GENERAL AND MULTILATERAL DIPLOMACY IN PARTICULAR WILL INCREASINGLY NEED TO TAKE COGNIZANCE OF THE ROLE PLAYED BY NON-STATE ACTORS, ESPECIALLY THE NGOS. MALAYSIA ACKNOWLEDGES THAT NGOS CAN EXERT CONSIDERABLE INFLUENCE ON THE SHAPE OF POLICIES ON SPECIFIC ISSUES. GOVERNMENTS AND INTERNATIONAL BODIES HAVE IN FACT RECOGNIZED THEIR EXPERTISE AND COMPETENCIES IN SPECIFIC AREAS. MALAYSIA WILL COOPERATE WITH NGOS, IN PARTICULAR INDIGENOUS NGOS, TO ADVANCE NATIONAL AS WELL AS GLOBAL INTERESTS. I BELIEVE THAT A MORE OPEN ATTITUDE AND A READINESS TO UNDERSTAND NATIONAL OBJECTIVES ON THE PART OF THE NGOS WILL GO A LONG WAY IN FACILITATING THIS COLLABORATION. MALAYSIA ALREADY IS USEFULLY COOPERATING WITH A NUMBER OF THESE NGOS.

31. THE MASSIVE FLOW OF INFORMATION, REVOLUTIONIZED BY ELECTRONIC CONNECTIVITY, IS TRANSFORMING AND AFFECTING THE FORMULATION OF

FOREIGN POLICY AND THE CONDUCT OF INTERNATIONAL RELATIONS. INFORMATION GATHERING AND TRANSMISSION WILL HAVE PROFOUND IMPACT ON ALL DIMENSIONS OF HUMAN ACTIVITY AND POSE NEW CHALLENGES TO STATE ACTORS. FOR INSTANCE, THE DISSEMINATION OF NEWS AND VIEWS IS NO LONGER THE EXCLUSIVE PURVIEW OF THE "OLD MEDIA" DOMINATED BY STATE APPARATUS AND LARGE CORPORATIONS. MALAYSIA'S FUTURE DIPLOMACY WILL NOT ONLY HAVE TO BE SUPPORTED BY WORLD CLASS TECHNOLOGY BUT ITS INTERNATIONAL DIRECTION IN THE NEXT MILLENIUM WILL ALSO HAVE TO TAKE INTO GREATER ACCOUNT PUBLIC OPINION IN THE DEVELOPMENT AND IMPLEMENTATION OF POLICY.

32. A PREREQUISITE FOR ACHIEVING DEVELOPED-NATION STATUS IS FOR MALAYSIA TO DEVELOP ABILITIES TO COMPETE IN A GLOBALIZED ECONOMY. PRINCIPALLY, THIS WOULD REQUIRE ON THE PART OF MALAYSIA A STRENGTHENING OF ITS CAPACITIES, NOT ONLY AT THE NATIONAL BUT ALSO AT THE INTERNATIONAL LEVEL, IN THE AREAS OF TRADE, INVESTMENT AND FINANCE. DIPLOMACY IN THE 21ST. CENTURY IS BOUND TO BE DRIVEN BY ECONOMIC AND SOCIAL ISSUES BECAUSE THE NEW FOCUS OF GLOBAL ATTENTION WILL BE THE WELLBEING OF THE HUMAN PERSON. IDEOLOGICAL AND STRATEGIC ISSUES, WHICH DOMINATED DIPLOMACY FOR MOST OF THE 20TH CENTURY, WILL CONTINUE TO BE IMPORTANT AND INFLUENCE RELATIONS BETWEEN NATIONS BUT INCREASINGLY SO WOULD BE ECONOMIC AND SOCIAL ISSUES.

33. AT THE BILATERAL LEVEL, MALAYSIA'S TRADE POLICIES AND EXPORT STRATEGIES WILL HAVE TO BE GEARED TOWARDS FURTHER ENHANCING EXPORTS, IN BOTH TRADITIONAL AND NON-TRADITIONAL MARKETS. CONTINUOUS EFFORTS WILL HAVE TO BE MADE TO SECURE THE MOST ADVANTAGEOUS TERMS AND CONDITIONS FOR THE ACCESS OF MALAYSIAN PRODUCTS INTO OVERSEAS MARKETS. AT THE MULTILATERAL LEVEL, IN THE WTO IN PARTICULAR, MALAYSIA WILL HAVE TO ENSURE THAT ITS INTERESTS BE PROPERLY PROTECTED IN MATTERS RELATING TO MARKET ACCESS, UNFAIR TRADE PRACTICES AS WELL AS THE USAGE OF TRADE LEVERAGES TO ADVANCE NON-TRADE ISSUES SUCH AS THE ENVIRONMENT, SOCIAL CLAUSES AND OTHER EMERGING ISSUES.

34. MALAYSIA WILL ALSO HAVE TO CREATE AN EVEN MORE CONDUCTIVE ENVIRONMENT FOR GREATER FOREIGN DIRECT INVESTMENT INTO SECTORS, WHICH ARE HIGH VALUED-ADDED AS WELL AS TECHNOLOGY AND CAPITAL INTENSIVE.

35. INFORMATION TECHNOLOGY AND COMMUNICATIONS INDUSTRIES HAVE CREATED VIBRANT NEW DYNAMICS, WHICH WILL INCREASINGLY DRIVE THE GLOBAL ECONOMY IN THE NEW MILLENIUM. IT IS IN RECOGNITION OF THEIR POTENTIAL AND IMPORTANCE THAT MALAYSIA LAUNCHED THE MSC (MULTIMEDIA SUPER CORRIDOR) PROJECT. THIS INITIATIVE IS INTENDED TO ENABLE MALAYSIAN TO LEAP-FROG INTO THE INFORMATION AGE AND LET IT INDUSTRIES BE IN THE FOREFRONT OF MALAYSIAN INDUSTRIAL GROWTH IN THE NEXT CENTURY. TO FULLY REALIZE THE MSC VISION, MALAYSIA WILL HAVE TO CREATE AND SUSTAIN AN IDEAL ENVIRONMENT FOR MSC INVESTORS. IN THIS REGARD, MALAYSIA'S INTERNATIONAL DIRECTION IN THE NEW MILLENIUM WILL CONTINUE TO REQUIRE EVEN GREATER INNOVATION AND GREATER RESPONSIVENESS TO THE

NEEDS OF INVESTORS, PARTICULARLY IN THE FIELD OF INFORMATION AND COMMUNICATIONS TECHNOLOGY.

36. THE NEXT MILLENIUM PRESENTS MANIFOLD CHALLENGES TO MALAYSIA. TO RECAP THE MOST IMPORTANT, THESE ARE THE PROCESS OF GLOBALIZATION, THE REVOLUTION IN INFORMATION AND COMMUNICATIONS TECHNOLOGY, THE MULTIPLICITY OF ACTORS IN INTERNATIONAL AFFAIRS AS WELL AS THE DIVERSITY OF ISSUES AND CONFLICTING INTERESTS. HOWEVER, THE 21ST CENTURY ALSO OFFERS GREAT OPPORTUNITIES. MALAYSIA'S INTERNATIONAL DIRECTION MUST BE SUFFICIENTLY VERSATILE TO ENABLE THE COUNTRY TO NAVIGATE THROUGH THE CHALLENGES, NOT ONLY TO SURVIVE BUT ALSO TO PROSPER. I HAVE GIVEN SOME VIEWS ON THE KIND OF INTERNATIONAL DIRECTION THAT MALAYSIA SHOULD TAKE IN THE FORESEEABLE FUTURE.

37. LET ME CONCLUDE BY ASKING A FEW QUESTIONS, WHICH WE CAN TRY TO ANSWER TOGETHER IMMEDIATELY AFTER THIS. FOLLOWING ARE SOME OF THE FUNDAMENTAL QUESTIONS, WHICH I WISH TO POSE TO ALL OF US THIS MORNING:

37.1 GLOBALIZATION MEANS GREATER AND GREATER PRESSURE TO CONFORM. CAN MALAYSIA, IN THOSE CIRCUMSTANCE, RESIST CONFORMITY AND MAINTAIN AN INDEPENDENT FOREIGN POLICY AS WE DO NOW?

37.2 GLOBALIZATION MEANS THE PROGRESSIVE EROSION OF INTERNATIONAL BORDERS IN THE LEGAL SENSE. IN SUCH A SITUATION, HOW CAN MALAYSIA CONTINUE TO DEFEND THE SOVEREIGNTY OF NATION STATES AND THE SANCTITY OF NATIONAL BORDERS?

37.3 CAN SMALL COUNTRIES LIKE MALAYSIA DEPEND UPON THE UNITED NATIONS, AS THE DEFENDER OF LAST RESORT, TO PRESERVE AND ENFORCE CERTAIN FUNDAMENTAL CODES OF BEHAVIOR IN INTER-STATE RELATIONS, PARTICULARLY THE PRINCIPLE OF NON-INTERFERENCE IN THE INTERNAL AFFAIRS OF NATION STATES?

38. LADIES AND GENTLEMEN, YOU TOO MAY HAVE MANY QUESTIONS TO POSE THIS MORNING CONCERNING MALAYSIA'S INTERNATIONAL DIRECTION IN THE NEXT MILLENIUM. I AM SURE ALL OF US WOULD LIKE TO HEAR NOT ONLY YOUR QUESTIONS BUT ALSO YOUR VIEWS ON MATTERS, WHICH WILL IMPACT ON ALL OUR LIVES AND THAT OF OUR CHILDREN'S IN THE FUTURE.

THANK YOU.