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"MALAYSIA'S FOREIGN POLICY"

DATUK-DATUK,
EXCELLENCIES,
DISTINGUISHED GUESTS,
LADIES AND GENTLEMEN,

I WISH TO THANK THE ASIAN STRATEGY AND LEADERSHIP INSTITUTE (ASLI) FOR INVITING ME TO SPEAK AT THE STRATEGIC ISSUES FORUM (SIF), THIS MORNING, ON "MALAYSIA'S FOREIGN POLICY" .

2. LET ME BEGIN BY STATING THAT FOREIGN POLICY, AN EXTENSION OF DOMESTIC POLICY, IS DESIGNED WITH THE PURPOSE IN MIND OF DEFENDING AND PROMOTING THE COUNTRY'S NATIONAL SECURITY, ECONOMIC AND OTHER VITAL INTERESTS.

3. DESPITE THE DIVERSITY OF VIEWS REGARDING THE PERCEPTION AND EXPLANATION OF FOREIGN POLICY, I THINK MOST OF US HERE WOULD AGREE THAT NO FOREIGN POLICY CAN BE FORMULATED IN A VACUUM. IT MUST SERVE TO FUNCTION IN A DYNAMIC ENVIRONMENT.

4. MALAYSIA'S FOREIGN POLICY IS NO EXCEPTION. VARIOUS GEOGRAPHICAL, HISTORICAL, SOCIAL AND POLITICAL DETERMINANTS CONTRIBUTE TO SHAPING THE NATURE OF MALAYSIA'S FOREIGN POLICY AND THE CONDUCT OF THE COUNTRY'S INTERNATIONAL RELATIONS. ADDED TO THIS IS THE EXTERNAL ENVIRONMENT, OR WHAT MAY BE TERMED AS THE SYSTEMIC DETERMINANT, WHICH BECOMES INCREASINGLY IMPORTANT WITH THE ADVENT OF GLOBALISATION AND IN THE WAKE OF THE EPOCH OF COMMUNICATION AND INFORMATION TECHNOLOGY (CIT). BUT THE BASIC OBJECTIVE REMAINS THE SAME, IE THE PURSUIT OF MALAYSIA'S NATIONAL INTEREST AT THE INTERNATIONAL LEVEL.

5. A CRITICAL EXAMINATION OF MALAYSIA'S FOREIGN POLICY SINCE 1957 WOULD SHOW ITS STEADY EVOLUTION, CHARACTERISED BY NOTABLE CHANGES IN EMPHASIS WHICH TOOK PLACE WITH THE CHANGE IN MALAYSIA'S POLITICAL STEWARDSHIP.

6. A MARKEDLY ANTI-COMMUNIST AND PRO-WESTERN POSTURE WITH CLOSE

LINKS TO THE COMMONWEALTH UNDER TUNKU ABDUL RAHMAN, OUR FIRST PRIME MINISTER, GAVE WAY TO ONE BASED ON NON-ALIGNMENT, NEUTRALIZATION AND PEACEFUL CO-EXISTENCE UNDER TUN ABDUL RAZAK. AS A MEMBER OF THE ORGANISATION OF ISLAMIC CONFERENCE (OIC), MALAYSIA BEGAN TO IDENTIFY ITSELF AS A "MUSLIM NATION." THE SEARCH FOR NEW FRIENDS SUBSTANTIALLY INCREASED THE IMPORTANCE OF NAM TO MALAYSIA. INVESTMENTS FROM OTHER THAN BRITISH SOURCES BEGAN TO BE ALSO WELCOMED.

7. A PERIOD OF CONSOLIDATION ENSUED UNDER TUN HUSSEIN ONN WITH ASEAN BECOMING THE CORNERSTONE OF MALAYSIA'S FOREIGN POLICY FOLLOWING THE COLLAPSE OF SAIGON (NOW HO CHI MINH CITY) IN 1975, THE WITHDRAWAL OF THE US MILITARY PRESENCE FROM SOUTHEAST ASIA AND THE INVASION OF KAMPUCHEA (NOW CAMBODIA) BY VIETNAM.

8. BUT A MORE DRAMATIC SHIFT OCCURRED WHEN YAB DATO' SERI. DR. MAHATHIR BIN MOHAMMAD TOOK OVER AS THE FOURTH PRIME MINISTER IN 1981. MALAYSIA'S FOREIGN POLICY STANCE BEGAN TO TAKE A MUCH GREATER ECONOMIC ORIENTATION THAN EVER BEFORE, COUPLED WITH A STRONG AND NATIONALISTIC DEFENCE OF THE RIGHTS, INTERESTS AND ASPIRATIONS OF DEVELOPING COUNTRIES AND THE ADVOCACY OF SOUTH-SOUTH CO-OPERATION.

9. YAB DATO' SERI DR. MAHATHIR'S PREMIERSHIP SAW THE PURSUIT OF NUMEROUS NEW INITIATIVES:

- ANTARTICA AS THE COMMON HERITAGE OF MANKIND
- THE LOOK EAST POLICY (LEP)
- REVERSE INVESTMENT
- EAST ASIA ECONOMIC CAUCUS (EAEC)
- GROUP OF 15 (G15)
- ASEAN MEKONG BASIN DEVELOPMENT COOPERATION
- ISLAMIC UNITY AND
- THE CHAMPIONING OF THE CAUSE OF DEVELOPING COUNTRIES ON MAJOR ISSUES LIKE ENVIRONMENT, HUMAN RIGHTS, AND DEMOCRACY.

10. THE EVOLUTION OF THE COUNTRY'S FOREIGN POLICY UNDER SUCCESSIVE PRIME MINISTERS REFLECTED A PRAGMATIC RESPONSE TO THE GEOPOLITICAL AND ECONOMIC CHANGES OF THEIR TIMES. TO BE CONTINUALLY RELEVANT TO THE COUNTRY'S NEEDS, FOREIGN POLICY CANNOT REMAIN STATIC. BUT WHILST CHANGE HAS BECOME A GENERAL FEATURE OF MALAYSIAN FOREIGN POLICY, CONTINUITY HAS ALSO BEEN EVIDENT. BOTH THE CHANGE AND CONTINUITY MARK A HIGHER LEVEL OF CONFIDENCE AND MATURING OF THE COUNTRY IN THE CONDUCT OF ITS INTERNATIONAL AFFAIRS. INDEED, IN MANY WAYS MALAYSIA'S LEADERSHIP ROLE HAS BEEN RECOGNISED ON SEVERAL ISSUES OF DEEP INTEREST TO THE DEVELOPING WORLD.

11. MALAYSIA'S INITIATIVES AT VARIOUS REGIONAL AND INTERNATIONAL FORA

HAS PUT THE COUNTRY ON THE WORLD MAP. INCREASED ECONOMIC PROSPERITY AND POLITICAL STABILITY HAS IN FACT ENABLED MALAYSIA TO CARVE IT'S OWN NICHE IN THE INTERNATIONAL SCENE. MAKING OUR PRESENCE FELT HAS ALLOWED US TO EXERCISE SOME INFLUENCE IN SETTING THE INTERNATIONAL AGENDA. BEING LESS DEPENDENT ON FOREIGN AID AND ASSISTANCE, MALAYSIA HAS BEEN ABLE TO SPEAK UP ON ISSUES THAT OTHER DEVELOPING COUNTRIES FEEL CONSTRAINED TO VOICE FOR FEAR OF RETRIBUTION BY THE MAJOR, PARTICULARLY WESTERN, POWERS.

12. MALAYSIA'S ACTIVISM AT THE INTERNATIONAL FRONT HAS OF COURSE ATTRACTED ATTENTION AND REACTION FROM VARIOUS QUARTERS. MALAYSIA IN TURN BECOMES THE TARGET FOR BEING "TOO VOCAL". BUT THIS IS SOMETHING THAT WE NEED TO TAKE IN OUR OWN STRIDE IF MALAYSIA IS TO BE PROACTIVE AT THE GLOBAL LEVEL.

13. AS A SMALL DEVELOPING-COUNTRY PLAYER IN THE INTERNATIONAL ARENA, MALAYSIA NEEDS TO FIRMLY UPHOLD THE PRINCIPLES OF THE UN CHARTER AS A DEFENCE OF LAST RESORT. CERTAIN FUNDAMENTAL PRINCIPLES GOVERNING INTERSTATE RELATIONS WOULD CONTINUE TO GUIDE MALAYSIA'S RELATIONS WITH OTHER COUNTRIES. THESE REFER TO SOVEREIGN EQUALITY AND MUTUAL RESPECT FOR TERRITORIAL INTEGRITY, MUTUAL NON-AGGRESSION, NON-INTERFERENCE IN EACH OTHER'S INTERNAL AFFAIRS, PEACEFUL SETTLEMENT OF DISPUTES AS WELL AS MUTUAL BENEFIT IN RELATIONS AND PEACEFUL CO-EXISTENCE. THESE PRINCIPLES HAVE STOOD THE TEST OF TIME. INDEED, OUR STEADFAST ADHERENCE TO THESE PRINCIPLES, SUPPORTED BY A CONSISTENT FOREIGN POLICY, HAS ESTABLISHED FOR MALAYSIA A CERTAIN CREDIBILITY IN THE EYES OF THE INTERNATIONAL COMMUNITY.

14. MALAYSIA HAS REPEATEDLY STRESSED THE IMPORTANCE OF ADHERING TO THE ESPECIALLY IMPORTANT PRINCIPLE OF NON-INTERFERENCE IN INTERNAL AFFAIRS, PARTICULARLY IN THE CONTEXT OF REGIONAL RELATIONS. THE SO-CALLED "CONSTRUCTIVE INTERVENTION" POLICY ADVOCATED BY SOME, INVOLVING LOUD CRITICISM, ADVERSARIAL POSTURING AND GRAND STANDING WOULD ONLY BRING MORE HARM THAN GOOD TO THE PROMOTION OF NEIGHBOURLY RELATIONS.

15. WE DO MAKE EXCEPTIONS TO THE POLICY OF NON-INTERFERENCE IN CERTAIN EXTREME SITUATIONS. THE BLOODY CRUELTY, GENOCIDE AND ATROCITIES PERPETRATED BY THE SERBS AGAINST THE PEOPLE OF KOSOVO STRUCK OUR CONSCIENCE, AND MADE MALAYSIA SUPPORT NATO'S MILITARY ACTION. THE PECULIAR SITUATION IN KOSOVO CALLS FOR PRAGMATISM ON OUR PART IN THE INTEREST OF HUMANITY WHILST RECOGNISING THE CENTRAL ROLE OF THE UN IN RESOLVING THE PROBLEM.

16. SIMILARLY, OUR ADOPTION OF THE "ONE CHINA POLICY", WHILST PURSUING CLOSE ECONOMIC RELATIONS WITH TAIWAN, BEARS NO PARADOX BUT REFLECTS OUR PRAGMATISM IN THE FACE OF CERTAIN REALITIES.

17. AND SO IS OUR RELATIONS WITH THE WEST. THERE IS NO CONTRADICTION BETWEEN MALAYSIA'S JUSTIFIABLE CRITICISMS OF THE WEST ON CERTAIN ISSUES AND OUR CONTINUED ACCEPTANCE OF WESTERN COUNTRIES AS A MARKET FOR OUR PRODUCTS AND AS A SOURCE FOR INVESTMENT IN OUR COUNTRY.

18. MALAYSIA'S CLEAR FOREIGN POLICY GOALS IN RESPECT OF DEFENCE AND SECURITY, DEVELOPMENT AND TRADE, INTERNATIONAL CO-OPERATION AND DIPLOMACY DETERMINE THE PATTERN OF RELATIONS THAT WE HAVE ESTABLISHED WITH OUR NEIGHBOURS AS WELL AS OTHER COUNTRIES WITHIN THE FRAMEWORK OF ASEAN, ARF, APEC, ASEM, SOUTH-SOUTH CO-OPERATION, THE OIC, THE COMMONWEALTH, NAM THE UN AND OTHER REGIONAL AND INTERNATIONAL ORGANISATIONS.

19. DEVELOPING CLOSE BILATERAL RELATIONS WITH OUR NEIGHBOURS REMAINS A HIGH PRIORITY. A CONSTRUCTIVE APPROACH HAD BEEN TAKEN TO RESOLVE OUTSTANDING PROBLEMS INCLUDING THOSE RELATED TO OVERLAPPING CLAIMS AND THE DETERMINATION OF LAND AND MARITIME BOUNDARIES. EVERY DIPLOMATIC EFFORT IS MADE TO ENSURE THAT BILATERAL RELATIONS DO NOT BECOME ADVERSELY AFFECTED ON ACCOUNT OF SUCH PROBLEMS WITH ALL OUR NEIGHBOURS CONCERNED. AGREEING TO REFER TO THE ICJ, THE OVERLAPPING TERRITORIAL CLAIMS WHICH MALAYSIA HAS WITH INDONESIA AND SINGAPORE, INDICATES THE EXTENT TO WHICH WE ARE PREPARED TO GO IN ACHIEVING SOLUTIONS TO BILATERAL PROBLEMS. THE ESTABLISHMENT OF SEPARATE JOINT COMMISSIONS BETWEEN MALAYSIA AND BRUNEI, INDONESIA, THE PHILIPPINES, THAILAND, LAOS AND VIETNAM HAS ALSO PROVIDED A USEFUL FRAMEWORK TO DEVELOP WIDE RANGING BILATERAL COOPERATION IN ALL FIELDS OF MUTUAL INTEREST.

20. SPECIAL ATTENTION IS GIVEN TO MALAYSIA-SINGAPORE RELATIONS. IN THIS CASE, THE POTENTIALS FOR MUTUALLY BENEFICIAL COLLABORATION ARE IMMENSE. EMOTIONS, ANCHORED IN THE PAGES OF HISTORY, HAS BEDEVILLED, HOWEVER, RELATIONS BETWEEN THE TWO COUNTRIES. THERE IS A DEFINITE NEED FOR RESTRAINT FROM BOTH SIDES. THE CONDUCT OF BILATERAL RELATIONS SHOULD BE PREMISED ON A "WIN-WIN FORMULA" THAT WOULD RECEIVE THE SUPPORT OF THE PEOPLES OF BOTH COUNTRIES. INDEED MALAYSIA-SINGAPORE RELATIONS SHOULD MOVE OUT OF ITS OLD MOULD AND MATURE INTO WHAT IT OUGHT TO BE – INTERDEPENDENT, PROXIMATE AND MUTUALLY BENEFICIAL. THIS IS ABSOLUTELY VITAL AS STRAINED RELATIONS BETWEEN MALAYSIA AND SINGAPORE WOULD INEVITABLY PRESENT PROBLEMS FOR THE EVOLUTION OF A TRULY REGIONAL COMMUNITY, WHILST DRAINING RESOURCES WHICH COULD OTHERWISE BE PUT TO EFFECTIVE USE IN OUR FOREIGN POLICY AGENDA.

21. BILATERAL RELATIONS WITH OTHER ASIAN, AFRICAN, MIDDLE-EASTERN, AND LATIN AMERICAN COUNTRIES WOULD CONTINUE TO BE PURSUED WITHOUT NEGLECTING OUR TRADITIONAL ECONOMIC PARTNERS IN EUROPE AND AMERICA. JAPAN, THE EUROPEAN UNION, THE US, AND AUSTRALIA AND THE REPUBLIC OF KOREA, WOULD REMAIN MALAYSIA'S MAJOR TRADING PARTNERS AS WELL AS THE SOURCE OF INVESTMENT AND TECHNOLOGY, PARTICULARLY IN CONNECTION WITH

THE ESTABLISHMENT OF MALAYSIA'S MULTIMEDIA SUPER CORRIDOR. THE ONLY EXCEPTION IS ISRAEL. MALAYSIA WOULD CONSIDER BEGINNING RELATIONS WITH ISRAEL WHEN A COMPREHENSIVE PEACE AGREEMENT BETWEEN ISRAEL AND THE PLO IS SUCCESSFULLY CONCLUDED.

22. AT THE SUB-REGIONAL LEVEL, INCREASED EFFORTS WOULD BE MADE TOWARDS REALISING THE BENEFITS OF THE GROWTH TRIANGLE CONCEPT NAMELY, THE IMT-GT, THE IMS-GT AND THE BIMP-EAGA. SUCH EFFORTS WOULD NO DOUBT ALLOW FOR PROSPERITY TO BE SPREAD TO THE LESS DEVELOPED AREAS THEREBY BRINGING MEANING TO THE "PROSPER-THY-NEIGHBOUR-POLICY" WHICH IS BEING PURSUED BY THE GOVERNMENT.

23. AT THE REGIONAL LEVEL, MALAYSIA WILL CONTINUE TO PUSH FOR THE STRENGTHENING OF ASEAN AS A REGIONAL GROUPING. THIS INCLUDES SUPPORT FOR A WHOLE RANGE OF FUNCTIONAL CO-OPERATION ON A SUB-REGIONAL BASIS (LIKE THE ASEAN MEKONG DEVELOPMENT CO-OPERATION) OR ON AN ASEAN-WIDE BASIS, THE EARLY PHASING IN OF AFTA AND THE IMPLEMENTATION OF THE ASEAN INVESTMENT AREA.

24. IN THE POST - COLD WAR SITUATION WHICH SEES THE EMERGENCE OF COMPETING REGIONAL ECONOMIC GROUPINGS AND UNCERTAINTY IN THE REGIONAL SECURITY ENVIRONMENT, MALAYSIA BELIEVES THAT A STRONG AND SUCCESSFUL ASEAN IS NOT ONLY AN ECONOMIC NECESSITY BUT ALSO A STRATEGIC IMPERATIVE. A PROSPEROUS, CONSOLIDATED AND STABLE ASEAN AT PEACE WITH ITSELF AND WITH ITS IMMEDIATE NEIGHBOURS PROVIDE THE BEST GUARANTEE FOR THE SECURITY OF THE ENTIRE SOUTHEAST ASIA AND EAST ASIA REGION. THE RECENT EXPANSION OF ASEAN TO INCLUDE CAMBODIA, LAOS, AND MYANMAR, WILL MAKE AN EVEN BIGGER CONTRIBUTION TO DEVELOPING NATIONAL RESILIENCE, PROMOTING ECONOMIC GROWTH, ENHANCING REGIONAL COOPERATION AND ENSURING REGIONAL PEACE AND SECURITY.

25. MALAYSIA BELIEVES THAT THE EXISTENCE OF ASEAN HAS ENCOURAGED PATTERNS OF BEHAVIOUR THAT REDUCE RISKS TO SECURITY BY ENHANCING BILATERAL RELATIONS AS WELL AS FOSTERING HABITS OF OPEN DIALOGUE ON POLITICAL AND SECURITY MATTERS INCLUDING ESTABLISHING CONFIDENCE BUILDING MEASURES. THE EXISTING DIALOGUE THROUGH THE ASEAN PMC PROCESS AND ASEAN REGIONAL FORUM (ARF), IN WHICH ASEAN FUNCTIONS AS THE CORE GROUP, ADEQUATELY SERVES THE PURPOSE. MALAYSIA HOPES THAT THE EARLY REALISATION OF THE ZONE OF PEACE FREEDOM AND NEUTRALITY (ZOFPAN) INCLUDING THE SOUTHEAST ASIAN NUCLEAR WEAPON FREE ZONE (SEANWFZ), WILL HELP TO FURTHER ENHANCE REGIONAL SECURITY.

26. NOTWITHSTANDING CRITICISMS MADE AGAINST ASEAN, IT IS CLEAR THAT COOPERATION WITHIN ASEAN IS NOW FIRMLY ENTRENCHED. ASEAN IS NOT ABOUT TO LOSE ITS DYNAMISM, VIABILITY AND RELEVANCE WITH THE INCLUSION OF NEW MEMBER STATES. ON THE CONTRARY, INCREASING INTEREST TOWARDS ASEAN AND REQUESTS MADE FOR SECTORAL DIALOGUE PARTNERSHIP BY A NUMBER OF

ASIAN, AFRICAN, AND LATIN AMERICAN COUNTRIES, REFLECT THE HIGH ESTEEM ACCORDED BY THEM TO ASEAN AS A REGIONAL ORGANISATION.

27. AT THE MULTILATERAL LEVEL, MALAYSIA HAS AND WILL CONTINUE TO BE ACTIVE IN THE OIC, COMMONWEALTH, NAM, AND THE UN. SUCH FORA ARE USEFUL IN PROMOTING COOPERATION BETWEEN MEMBER STATES, IN FINDING SOLUTIONS TO GLOBAL PROBLEMS AND IN ESTABLISHING COMMON GROUND RULES THAT WILL GUIDE THE PEACEFUL CONDUCT OF INTERNATIONAL RELATIONS. MALAYSIA WILL CONTINUE TO USE THE PLATFORM AVAILABLE TO SPEAK ON GLOBAL ISSUES LIKE HUMAN RIGHTS, ENVIRONMENTAL DEGRADATION, TERRORISM, REFUGEES, DEMOCRACY, AND THE REFORM OF THE UN SECURITY COUNCIL. WE BELIEVE THAT THE UN SHOULD CONTINUE TO BE EFFECTIVE IN DEALING WITH GLOBAL DEVELOPMENTAL ISSUES, PEACE AND SECURITY, HUMANITARIAN ACTIVITIES, INTERNATIONAL CRISIS AND CASES OF VIOLATIONS OF THE UN CHARTER AND PRINCIPLES OF INTERNATIONAL LAW - IN A FAIR AND EQUITABLE MANNER. ON THE ECONOMIC FRONT, MALAYSIA WILL CONTINUE TO ADOPT A PROACTIVE ROLE IN THE WTO.

28. ONE SIGNIFICANT PHENOMENON THAT WILL IMPACT STRONGLY ON MALAYSIA'S FOREIGN POLICY AS WE MOVE INTO THE NEXT MILLENNIUM, IS GLOBALISATION AND THE CIT. OUR GREATEST CHALLENGE WOULD BE TO EXTRACT THE BEST FROM THE PROCESS OF GLOBALISATION AND TO GIVE OUR BEST TO THE SYSTEM IN RETURN, TO CONTRIBUTE TOWARDS MAKING THE WORLD MUCH MORE PEACEFUL AND EQUITABLE, TO PROVIDE LEADERSHIP WITHIN OUR REGION AND TO DEMONSTRATE EXEMPLARY AND RESPONSIBLE MEMBERSHIP OF THE INTERNATIONAL COMMUNITY.

29. HOWEVER, OUR EXPERIENCE TO DATE WITH REGARD TO BOTH THE POLITICAL AND ECONOMIC DIMENSIONS OF GLOBALISATION HAS BEEN LESS THAN HAPPY.

30. ON THE POLITICAL FRONT, WE SEE THE END OF THE COLD WAR. YET THE WORLD TODAY IS NO MORE SAFER THAN WE HAD BEEN LED TO BELIEVE. THE SO-CALLED FRIENDLY GLOBAL VILLAGE HAS NOT COME ABOUT. OLD CONFLICTS EITHER REFUSE TO DIE OR SIMPLY HAVE A WAY OF COMING OUT OF THEIR GRAVES TO HAUNT US. IN THE MEANTIME, NEW CONFLICTS, AT TIMES MUCH MORE BLOODIER AND BRUTAL THAN THE OLD ONES, CONTINUE TO EMERGE AND RAGE. BOSNIA AND HERZEGOVINA, KOSOVO, TIMOR-TIMOR AND CONFLICTS IN CERTAIN STATES IN AFRICA PROVIDE CLEAR EXAMPLES. THE ISSUES OF PALESTINE, AFGHANISTAN, AND JAMMU / KASHMIR REMAIN UNRESOLVED. ADDED TO THIS, TWO OTHER ISSUES OF GREAT CONCERN ALSO REMAIN, NAMELY:

- TERRORISM WHICH CONTINUE TO THREATEN THE LIVES AND PROPERTY OF INNOCENT VICTIMS AND
- THE PROLIFERATION OF WEAPONS OF MASS DESTRUCTION WHICH BRINGS FOURTH THE PROSPECT OF NUCLEAR, CHEMICAL, AND BIOLOGICAL WARFARE.

IT IS IMPORTANT THEREFORE THAT OUR FOREIGN POLICY BE GEARED TO ENSURING THAT MORE AND MORE NATIONS SIGN AND RATIFY THE RELEVANT

INTERNATIONAL CONVENTIONS SUCH AS THE NUCLEAR NON-PROLIFERATION TREATY (NPT), THE COMPREHENSIVE TEST BAN TREATY (CTBT), BIOLOGICAL WEAPONS CONVENTION (BWC), CHEMICAL WEAPONS CONVENTION (CWC), AND THE CONVENTION ON LAND MINES (CLM).

31. THE ECONOMIC DIMENSION OF GLOBALISATION HAS BEEN EVEN MORE DISAPPOINTING. THE FINANCIAL CRISIS THAT DESCENDED UPON EAST ASIA IN 1997 BROUGHT ABOUT NOT ONLY SOCIAL MISERY AND ECONOMIC DISASTER BUT POLITICAL INSTABILITY AS WELL. MASSIVE UNEMPLOYMENT, NEGATIVE GROWTH, STOCK MARKET CRASHES AND SEVERE CURRENCY DEVALUATIONS HAVE PULLED DOWN MILLIONS OF PEOPLE BELOW THE POVERTY LINES. THE SEVERITY OF THE SITUATION CALLS FOR THE WHOLE BUSINESS OF ECONOMIC GLOBALISATION AND FINANCIAL AND TRADE LIBERALISATION TO BE SERIOUSLY ADDRESSED. MALAYSIA'S BIGGEST FOREIGN POLICY CHALLENGE IN THE NEXT DECADE LIES IN THIS AREA. REFORMING THE INTERNATIONAL FINANCIAL ARCHITECTURE TO INSURE AGAINST MASSIVE CURRENCY ATTACKS, MANIPULATORS AND FREQUENTLY EXCESSIVE FLUCTUATIONS IS NO SMALL TASK PARTICULARLY IF WE HAVE TO PERSUADE THOSE WHO HAVE BEEN BENEFITING FROM THE EXISTING SYSTEM. THE YEARS AHEAD THEREFORE WOULD SEE OUR FOREIGN POLICY SPECIALLY ORIENTED TOWARDS NOT ONLY ENSURING MALAYSIA'S ECONOMIC RECOVERY INTERNALLY, BUT ALSO OUR EFFECTIVE ROLE AS AN INFLUENTIAL GEOPOLITICAL PLAYER IN THIS FIELD AT THE GLOBAL LEVEL.

32. MALAYSIA'S CURRENT POSITION AS A NON-PERMANENT MEMBER OF THE UN SECURITY COUNCIL HAS INDEED PROVIDED US WITH A FORUM TO BEGIN ADDRESSING SOME OF THESE CHALLENGES, VOICE OUR CONCERNS AND PUT FORTH MALAYSIA'S POSITION ON ISSUES THAT AFFECT US AS WELL AS THE WORLD. APPROPRIATE STRATEGY WOULD HAVE TO BE PUT IN PLACE TAKING INTO ACCOUNT THE RESOURCES AVAILABLE TO US. IT IS OUR FIRM CONVICTION THAT AS WE APPROACH THE NEW CENTURY, RELATIONS AMONG SOVEREIGN STATES OUGHT TO BE BASED ON A NEW PARADIGM PREDICATED NOT ONLY ON EQUALITY BUT ALSO RESPECT FOR TERRITORIAL INTEGRITY, AS WELL AS RECOGNITION OF MUTUAL INTERESTS AND BENEFITS. THERE SHOULD ALSO BE GENUINE INTERNATIONAL DIALOGUE AND COOPERATION. IT IS ONLY ON THIS BASIS PERHAPS THAT WE COULD HOPE TO REAP THE FULL POTENTIALS OF GLOBALISATION WHILST PROMOTING INTERNATIONAL PEACE, SECURITY AND PROSPERITY.