

# **ASIA-EUROPE PARLIAMENTARY PARTNERSHIP FOR SUSTAINABLE DEVELOPMENT**

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YANG DI-PERTUA DEWAN NEGARA  
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THE 7TH ASIA-EUROPE PARLIAMENTARY  
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Mr Chairman

Her Excellency Mrs. Pany YATHOTOU  
President of the National Assembly of Lao PDR  
President of ASEP-7

H.E. Thongsing THAMMAVONG  
Prime Minister of Lao PDR

Distinguished guests

Ladies and gentlemen,

I am very much honoured to participate and to be given this opportunity to speak today at this 7<sup>th</sup> Asia-Europe Parliamentary Partnership (ASEP-7) Meeting held in the Lao People's Democratic Republic (Lao PDR).

First of all, my sincere congratulation and thanks to the National Assembly of the Lao People's Democratic Republic for hosting the 7<sup>th</sup> Asia-Europe Parliamentary Partnership (ASEP-7) Meeting.

As the theme "*Asia-Europe Partnership for Sustainable Development*" connotes, the agenda this year reflects the opportunities and challenges the continent is presently facing.

Economic, social, and environment issues of great importance and interest to all of us will be discussed in the Meeting. Malaysia will use this opportunity to share and exchange views to address these pertinent issues, and to further enhance our inter-parliamentary contacts with delegates from other member countries.

Ladies and gentlemen,

Attaining sustainable development has, more than ever before, reached immensity scale for the international community.

The recovery of the economy after the Asian financial crisis in 1997/1998 and the recent global financial crisis has so far been better than expected.

However, with the myriad interconnections through which financial turmoil spreads, it just shows how defective the current international financial architecture is as the current international financial architecture also includes potential risks and uncertainties and does not guarantee long-term, balanced and steadfast growth.

The global economic outlook for the second half of 2012 continues to be challenging. Global confidence continues to be adversely affected despite the consensus reached at the EU summit in late June to address the euro crisis. Overall, the International Monetary Fund (IMF) in its July 2012 World Economic Outlook (WEO) Update has forecasted global growth at 3.5% for 2012 and 3.9% for 2013.

Though we have advanced on many fronts and the global economy in general is thriving, yet political instability, credibility of economic management, flaws in the financial systems, increasing rates of unemployment, diseases, poverty, scarcity of food supply, degrading eco-environment, and increasing number of natural disaster continue to contribute towards the widening development and wealth distribution gap among and within nations and the international community across Asia and Europe.

Financial panic has caused severe capital outflows resulting in the devaluation of currencies and the collapse of stock prices. The collapse of capital markets created heavy dependence on bank credit and inadequate supervision of the financial systems. Unsustainable sovereign debt burdens threaten the economic and financial stability and make countries vulnerable to external forces.

Globalization further strains the global financial climate as globalization involves costs as well as benefits.

On one hand, globalization stimulates economic growth, productivity, and living standards of the people. Globalization also increases global resources efficiency as the liberalisation of trade facilitates economies of scale and allows national economies to make the most of their comparative advantages.

On the other hand, increased global economic activity results in negative pressure on the environment and in risks of social cohesion if it becomes uncontrolled.

The problems that we face today in sustaining development are due to the combination of inappropriate economic policies, lack of fiscal discipline, and excessive risk taking.

As such, all countries, governments, and individuals across Asia and Europe are faced with no small consequences. The job of sustaining development is far from complete. While circumstances remain difficult, the preservation of safety nets and of sound international financial architecture is crucial.

Ladies and gentlemen,

Many countries around the world have benefitted from increased economic growth notably through progressive market opening and liberation of foreign direct investment. Malaysia is of no exception.

Given the uncertain global economic outlook, Malaysia will continue to strengthen our domestic economic activity while ensuring fiscal prudence. We are committed to fiscal consolidation, better revenue performance, and spending efficiency.

Malaysia continually strives for an economic model that is balanced between consumption, saving, and investment that can bring sustainable development over the long term.

The Government of Malaysia is dedicated to implementing policies that stimulate and boost our economy. We are accountable towards the sustainable growth of our economy. We pursue strong policies and we take concrete measures towards growth to ensure sustainable development in our country.

The New Economic Model, Tenth Malaysian Plan (2011-2015), Government Transformation Program, and Economic Transformation Program are initiatives that thrive on productivity, innovation, and creativity to help propel and to lead Malaysia towards the creation of an effective capital market to supplement the financial system required to support Malaysia's economic development to achieve competitive status of a high income economy by year 2020.

We similarly place the development of human capital central in our policies. This is in line with the now increasing demand for highly skilled knowledge workers that are able to meet the changing requirements of an increasingly globalized and borderless workplace. We are fully aware that the economic costs of failure to arrest human capital development and labour migration are strategically significant and they include low productivity, slow pace of innovation, and lost opportunities.

Ladies and gentlemen,

Many initiatives have been carried out in the past to address specific elements of sustainable development but overall progress has been slow. A new impetus is required in order to tackle in a more comprehensive and effective way the many remaining challenges as well as the new challenges arising from globalization.

Malaysia is delighted to note that efforts are being taken to ensure sustainable development in individual member countries and the continent as a whole.

We noted that the endeavour for sustainable development of building economic, political and security, social and cultural communities towards self-reliance, dynamism and sustainability aimed at sustaining high growth, stabilization of macro-economic balances, environment protection, and improvement of the quality of life for our peoples was reflected in previous ASEP Meetings.



The Asia-Europe Parliamentary Partnership Meeting has established an internal strategy for sustainable development. For the successful implementation of this strategy, efforts must also be given for the development of the external dimension in order for us to achieve the desired results.

Malaysia believes sustainable development entails three sets of interrelated objectives – economic development, social development, and environmental protection – where development must strike a balance between these objectives that maximizes the well-being in the present without compromising the ability of future generations to fulfil and meet their needs.

Socio-economic development is inseparable from environmental protection and improvement must be made to meet the rising material and mental needs of society. The human factor must be the drive and the centre of sustainable development with economic development being the core task.

Sustainability is therefore attained when the balance between the economic, social, and environmental objectives of society support and complement each other.

Ladies and gentlemen,

However, much remains to be done. We need to further enhance cooperation to narrow the development gaps, to share wealth and experience, to support the formulation of development strategies and long term sustainable development models, and to improve the social safety net for the disadvantaged and most vulnerable groups in society between the two regions.

We need to foster economic, trade and investment cooperation, and technology transfer, to fight protectionism and monopoly, and to enhance cooperation and provide assistance to members or struggling countries in the implementation of development programs, protection of natural resources and promotion of green environment.

People are poor when they cannot achieve adequate and sustained standards of well-being in terms of security of food supplies, economic, social and environmental security, civil rights, and political empowerment. It is not absolute scarcity of resources which is the key problem of poverty, but the unequal distribution of resources and opportunities to take advantage of them.

More focus should therefore be given on the least developed and fragile countries on social cohesion and on ways to catalyze and spur economic growth in our quest for sustainable development.

Malaysia believes that changes will take place, slowly but surely. A collective effort is therefore required to provide a framework in which member countries can harness, maintain and increase growth while preserving the environment for future generations and strengthening social cohesion.

Ladies and gentlemen,

With the leaders of Asia and Europe assembled together this year, the ASEP-7 Meeting provides a golden opportunity to reaffirm our collaboration and cooperation to increase efforts towards achieving a balanced growth in the world economy, social, and environment protection.

Global partnership means recognizing that there are lessons to be learned between the rich nations themselves, as well as between the rich and poor. The present crisis has opened new opportunities for us to review how we live, produce, and consume.

Malaysia is happy to note that mentalities of countries are evolving towards more sustainable economic models. There are vast opportunities for us to explore together as we face many acute global issues and policy challenges related to economics, development, social, and human security.

The past few years have shown that enormous progress has been achieved in the collaboration and cooperation in economic, social, and political development between Asia and Europe, thanks to the thriving relationship between the regions.

With deepening mutual interdependence between Asia and Europe, it is important that we abide by the common rules of the international community in order for us to realize the economic growth together. We must continue to take responsible actions and build solid trust among ourselves in order to establish the foundation for peace, security, stability, and growth.

Tackling global problems need simultaneous and well co-ordinated actions from all member countries. It will only succeed if we commit ourselves to making politically challenging choices.

At the national front, all our policies – internal and external – should integrate sustainable development goals and take into account global needs. In order to achieve sustainable development, domestic policies must improve and be based on good governance. The right mix of policies will help us prioritise and address key current issues.

We therefore need an effective framework that encompasses and supports sustainable development, albeit without oppressing our economic growth, productivity, and innovation. The framework should not be too prescriptive. It should be accommodative, address structural issues, and reflect the varying stages of development between developed and developing nations. A consistent regulatory and supervisory framework that establishes a sound basis for economic growth is only a part of the answer to achieve sustainable development.

Ladies and gentlemen,

The Asia-Europe Parliamentary Partnership (ASEP) Meeting which is part of the overall Asia-Europe partnership process represents a pioneering dialogue for inter-parliamentary contacts, exchanges, and diplomacy among parliaments from the two regions on an equal and reciprocal basis.

The Meeting agenda is rich and diverse with focus on current global challenges will be interesting and productive. The Meeting will allow us to address the opportunities and challenges mentioned earlier, enhance our collaboration to a higher level, and help us develop a cooperative relationship leading to global peace, stability and sustainable development.

Malaysia hopes to actively participate and contribute not only intellectual inputs and policy ideas into the ASEP-7 Meeting, but also to share our vision to further the idea of building an Asia-Europe comprehensive, equal, and mutually beneficial strategic partnership for sustainable development that will benefit all, such as poverty, trade, financial, economic, climate protection, energy development, research and innovation.

We hope to help identify strategic components and to bring about concrete outcomes for Asia-Europe economic integration and growth strategy and turn our two regions into a driving force for global sustainable development.

Achieving a common ground will enable us to play a greater role and provide impact in defining the outcomes of this Meeting and build greater understanding between the peoples of our countries through closer people to people contacts.

In this context, Malaysia is supportive of a comprehensive reform of the international financial architecture. The reform should address challenges of current international financial architecture, as well as the required safety nets and measures for collaboration and cooperation.

At this juncture, Malaysia would like to take this opportunity to call for closer coordination and collaboration among national, regional, and international regulatory authorities to ensure a more effective global monitoring and transparency of the international financial systems in order to minimize risks.

We believe that it is timely for Asia and Europe to formulate joint programmes and adopt best practices in the area of disaster management. With food production and food security increasingly becoming a critical issue, serious attention should be given before the world food crisis present serious implications to the security, political, economic stability, and social development of many countries.

On that note, ladies and gentlemen, Malaysia bids all ASEP-7 delegates to take this opportunity to continue explore common grounds and new venues of cooperation towards a common goal. Let us all join hands and make practical and worthy contributions to the global efforts in the implementation of internationally recognized goals towards the attainment of sustainable development.

Thank you very much.