

**CLOSING ADDRESS BY
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**AT THE PERDANA LEADERSHIP FOUNDATION CEO FORUM 2022
TOPIC: "WHAT DOES THE FUTURE HOLD FOR MALAYSIA?"
ON 1 NOVEMBER 2022 (TUESDAY) AT 4.00 PM
AT THE BERJAYA TIMES SQUARE HOTEL, KUALA LUMPUR.**

1. Firstly, I would like to thank the organiser for inviting me to speak at the closing session of the PLF CEO Forum 2022.
2. I am asked to speak on the topic of "What Does the Future Hold for Malaysia?"
3. Even in the worst of times, despite my criticisms of leaders and their leadership, I've always believed that Malaysia is a blessed land and no matter how bad the situation is, things will eventually fall in place.
4. Of course, this believe does not stem merely from wishes and hopes but rather on the premise that Malaysians had shown how resilient and resourceful they are that when the chips are down, they'll pick themselves up sooner rather than later.
5. This time around, I am still as optimistic as I was before but with a caveat.
6. With the polls just around the corner, Malaysians must not leave to chance as to who will rule the nation. No matter how bleak or disgusted they are with what had transpired over the past years, not participating is not an option and if the wrong people get to lead, it is not only the politicians who are to be blamed but everyone who chose to stay away.
7. As we grapple with our own political uncertainties, we are witness to how such uncertainties impacted the economy of the UK and other nations. Until and unless the political uncertainties are resolved, the economy and development of these nations will continue to be bleak as would Malaysia's.
8. We live in a time of great uncertainty but high connectivity. Through trade, banking, and travel, we are more connected to one another than ever before. This is good in many ways but it also makes it more likely that events in one part of the world will have bigger repercussions on the rest of the world.
9. There is at present a war going on in Europe that has no end yet in sight. It is a war that is totally avoidable and wholly unnecessary, and yet it is happening.
10. This conflict is causing a cascade of negative consequences.
11. Apart from all the unnecessary lives lost, we see skyrocketing fuel and food prices leading to record levels of inflation in Europe and the rest of the world.

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12. In response to rising prices, interest rates are raised including in Malaysia, thereby increasing the cost of debt for households and companies. There are also supply chain disruptions as some ports in Europe are closed due to the war.
13. Then there is animosity between two major powers which has led to a trade war; other power plays and territorial disputes may also escalate into open enmity.
14. While Malaysia has always remained a neutral nation and should continue to remain so, we will not be spared from the economic fallout of any global conflict.
15. The war in Europe comes on the heels of a global pandemic that caught the world by surprise, and which has not truly ended.
16. Businesses are slowly recovering, only to find that the economic landscape is different and consumer behaviour shifting, many preferring online purchases which inevitably leads to reduced dependency on employees.
17. Retail shops will disappear to be replaced by larger stores of goods to meet online demands.
18. Going forward, there will be more events and occurrences that will not fit into any of our models of predictions and analysis. In short, the uncertainties that we face, whether they are economic or political, are likely to continue.
19. For businesses and even governments, it means longer-term projections and forecasting models may no longer be useful as they will be less accurate. We know from the past that not even the most sophisticated economic modelling could foretell of the Asian Currency Crisis nor the 2008 financial meltdown. Because of our connectedness with each other, the causes and consequences of events have become more complex and more widespread.
20. It is time for us to revise our assumptions and forecasting models because the world is shifting away from the post-World War II, industrial equilibrium. It is moving rapidly towards a new digital-dominated and information-driven equilibrium that requires new approaches.
21. During the Covid-19 lockdowns, it was technology that kept us tethered to one another. Whether we like it or not, technology is going to play an even bigger part of our lives in the coming decades.
22. The emphasis has shifted from "going online" to automation, artificial intelligence, robotisation, even virtual reality.
23. With the challenges that Malaysian companies face in obtaining manpower, automation, digitalisation, and robotisation are becoming more crucial.
24. But the utilisation of technology in Malaysia, especially in business and industry, is still low. This could be due to cost, lack of skills, or low awareness.
25. Malaysia cannot afford to be behind the curve for much longer because our productivity will suffer and with that, our competitiveness. Our national productivity rate is behind those of advanced countries and it is mainly by effective use of technology that we will be able to boost our productivity rate.

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26. With respect to technology adoption, what we need to focus on are two areas:
- a. One is policy incentives for Malaysian businesses to adopt technology, with tax breaks and funding assistance. There are some initiatives and funding available but whether these are sufficient is another question.
 - i. We were one of the earliest countries in South East Asia to go into the Knowledge Age in a big way through the Multimedia Super Corridor. The MSC has seen the birth of Malaysian tech companies and talent. But we have to keep up with advances and find the best combination of infrastructure, policy, and incentives if we are to move our economy up the technology chain.
 - b. The other is with respect to our talent base. We need to have a bigger pool of brains in this country to increase our technological adoption.
 - i. Our education system needs to be upgraded: our syllabus needs new content and more focus on critical thinking.
 - ii. Our pedagogy needs to change with the times because Malaysian children no longer learn the same way that their parents did.
 - iii. Our schools need to be better equipped with computer labs, and even computers in classrooms.
 - iv. We need to revisit our national education blueprint and re-assess its goals and targets so that our youth will not fall behind in 21st century skills.
 - v. Our R&D spending needs to be increased greatly especially in science and technology. Malaysia's R&D spending of 1% of GDP is still below the OECD average. As a comparison, Japan's R&D spending is 3% and Korea's is 4.5%
27. The issue of talent is an important one to address if Malaysia wants to join the ranks of developed economies.
28. Malaysia needs a steady supply of talent in fields that include robotics, Artificial intelligence (AI), the hard sciences, nanotechnology, and genetic engineering to be able to adapt to technological change.
29. But for all these to be pursued and realised, political will and a visionary Government is of the essence.
30. We have witnessed nature's wrath and the calamity that it inflicted and much of it is due to the effects of climate change. Around the world, there have been devastating floods, hurricanes, unprecedented heat waves, and forest fires. Here in Malaysia, our monsoons are more severe, as have been droughts in some states.
31. In the coming years, the environment will be more disruptive to our lives and our businesses, and will necessitate a change in government regulations and our enforcement of them.

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32. It is incumbent upon us to set sustainable development goals and reduce our dependency on fossil fuels which in effect demands us to seek and develop renewable energy.
33. It is no more an option. We must be committed to curb environmental damage. In the coming years, the environment will play a more important role and will impact the plans and decisions of government and business.
34. These are a few of the themes that I foresee will dominate Malaysia for the next few years.
 - a. The interlinked nature of our world makes us more vulnerable to any global shock or conflict, while we deal with our own uncertainties at home. Given how rapidly the world is changing, we need to question whether our present planning models are valid.
 - b. Technological advancement is at a rapid pace and if we are to remain competitive, we need to ensure a high rate of technological adoption as well as a solid pool of talent.
 - c. Climate issues will become even more important as we battle environmental degradation.
35. Of course, there are other factors that will shape Malaysia's future, such as the quality of governance, and food sustainability. They all present challenges to our economic progress and national competitiveness, and should compel us to build our capabilities, whether as individuals or businesses.
36. The future holds a great number of challenges for Malaysia to overcome. Equally, it promises a wealth of opportunities but we need to be ready to embrace them to accelerate our growth.
37. If we do not take action, then I fear that we may forever be a nation that is "developing" but never fully developed, even when compared with neighbours less endowed with natural resources.
38. That will indeed be a sad future for Malaysia.
39. In the past, Malaysia has overcome seemingly insurmountable obstacles, right from where we began our journey as a young nation. When the world predicted we would descend into violence and economic disaster, we proved them wrong. We became a modern, industrialised nation, an economic beacon in the region.
40. Just as history gives us great lessons for the future, so, too, it can give us faith and hope that, just like in the past, this nation of ours can overcome the challenges of the present and the future.

Thank You.