



**YB MENTERI KEWANGAN II
MALAYSIA**

KHAZANAH MEGATRENDS FORUM 2012

**MONDAY, 01 OCTOBER 2012
MANDARIN ORIENTAL HOTEL
KUALA LUMPUR**

Yang Berbahagia Tan Sri Azman Haji

Mokhtar,

Managing director of Khazanah Nasional Bhd

Yang Berbahagia Dato' Mohammed Azlan

Hashim,

Board member, Khazanah Nasional

Yang Berusaha Dr Nungsari Ahmad Radhi,

Executive director, KRIS, Khazanah Nasional

Yang Berusaha Encik Hisham Hamdan,

Executive director, Investment, Khazanah

Nasional

Distinguished speakers and chairpersons,

Tan Sri - Tan Sri, Datuk – Datuk,

Members of the media,

Ladies and gentlemen,

1. I am pleased to be here this morning at the Khazanah Megatrends Forum 2012. This year's theme "The Big Shift – Traversing the Complexities of the New World" is indeed important. It is important because these shifts, these new megatrends, will have profound impact on our lives, our communities and our country.
2. I will, today, confine my remarks to an area I know best – Malaysia. Yes, there is a Megatrend here too. Today I will talk about an emerging trend that will have deep and wide-ranging consequence on

our country – economically, socially and politically.

3. We have a set of behavioural and moral standards, codes and principles that we collectively identify as the accepted set of Malaysian values. These are the values that form the parameters of our private and public behavior. These are values that we use as yardsticks to determine what is socially acceptable and what is not.

4. By and large, we inherited this set of values from our previous forefathers, with incremental changes here and there, since Independence - at that point when we began to see ourselves as a free and united polity.

5. This set of mainstream values, the values that we have collectively held since the last 30 to 40 years, essentially, since Merdeka – is now changing.

6. There are three major factors that catalysed this change in the Malaysian mindset – first – the shift in the climate of political expression under the previous Prime Minister's administration and second – the seminal 2008 general elections.

7. Underlying these two cataclysmic events is the development of electronic media as an increasingly affordable platform for the exchange of thoughts, ideas and opinions.

Ladies and Gentlemen;

8. It is the Government's aim for the gross per capita income of this country equal to that of a high-income economy. The Government also realizes that with this rise in income, income that will be earned through higher productivity and from the sale of high value-added products and services, there will exist in far greater numbers than now, a world-class intelligent and knowledgeable workforce.

9. This new middle-class will be our equivalent of the American Baby Boomers – that post World War II generation of Americans who were born between 1946-1964.

10. In aggregate, the American baby boomers had the highest per capita income. They were also the smartest, as measured by their academic qualifications. Today, they controlled 80% of their country's personal assets and more than half of their nation's disposable income.'

11. The baby boomers were a demographic bulge that remodeled American society as they passes through it. Their impact is profound. They shaped America as we know it today.

12. We too have our demographic bulge. As measured by our 2010

census, one-third of our population is between the ages of 15 to 29, born between the years 1980-1995. After the year 2000, our birth rate begins to decline.

13. In ten years time, this demographic bulge of Malaysian baby boomers, will enjoy the benefits of a high-income economy. Their influence would also be just as profound as their American counterparts.

14. By their sheer numbers and purchasing power capacity, our Baby Boomers will be the largest as well as the wealthiest demographic category this country ever had. Indeed, our Baby Boomers will determine the shape of our

economy, our society and our politics for the next half a century.

Ladies and Gentlemen;

15. I opened my speech stating that the Malaysian mindset – that set of values that we have held dear since Merdeka is changing. Let us dwell further on this.

16. Previously, if there were any definitive push towards any particular direction, it would have come from the Government. The major influencers of our national psyche were either directly the Government or voice agents of the Government.

17. In those simpler days, whenever the Government wanted to instill a value in the general public, all that was required were a slogan, a number of posters and billboards and an upbeat song that were played over and over again by RTM. Some of you here would remember them – the *Rukun Negara*, the anti-inflation, *Rukun Tetangga*, *Muhibbah* and *Buku Hijau* campaigns.

18. There was little competition. The Government had practically all the space to itself. The Government was, literally, the sole shaper of society's mores and values. The Government shaped the society. You could even argue that the Government practiced social engineering.

19. However, the space in which the Government occupied with little challenge up to a more or less fifteen years ago is now fragmented. Malaysian values are changing. They are changing because there are now more voices in the public forum than there were previously.

20. I have no doubt that the Government will remain a major player in the public space. State-sponsored messages, without too much argument, are still relevant. Sadly, the results nowadays, however, can, at best, be described as inconsistent.

21. While the 1Malaysia campaign has been a runaway success, for example, patriotic songs, on the other hand, in order to gain attention, are now sung with rap lyrics and R&B tunes. The fact is - the Government can no longer claim to be the single biggest determinant in shaping the values that we identify as Malaysian.

22. The Government has much to contend with. This new baby boom middle-class, with their expanded knowledge and higher confidence, will be the most vocal and, I might add, the most critical minded group of citizens, more so than any of their previous generations.

23. This new generation, they have no colonial hang-ups. They grow up with the Internet. Their formative years are spent in cyberspace. Their formative years are in the age of knowledge and information. They do not perceive the impact of globalization as an assault to national sovereignty. They, instead, engage seamlessly across cultures and communicate across the globe.

Ladies and Gentlemen;

24. Pandora's box, once opened, cannot be closed. The Government knows this. That is why we embarked on our Political Transformation. We have since repealed a number of legislation which we thought were not conducive to

the development of political debate and public discourse. We want to restructure the landscape of political expression in this country.

25. We have also, for a number of years now, encourage greater broadband adoption rates. We are also actively promoting the wider usage of ICT across our populations, urban and rural. We want to cultivate innovative thoughts and continuous learning.

26. All these measures, all these changes in laws and regulations, in the further development of ICT, are mutually reinforcing. The aggregate of all these measures can only amplify what we are already seeing now.

27. Going forward, all of us - public institutions, NGOs and private corporations - we need to be prepared. There is no question that, in the years to come, we will see greater demands placed upon us to strengthen our credibility and our relevance.

28. Our governance, in shape and practice, will have to be more transparent. Our ethics and morals beyond reproach. As we can already see, our Baby Boomers are not shy to express their displeasure if we fail to meet their expectations.

29. Nevertheless, in this enlarged space in the freedom of expression, as

in any other forms of freedom, there must be responsibility. There must be responsibility not to cause grievous hurt or physical damage, be it public or private property. Opinions and thoughts expressed must not incite fear nor anger to the many and varied communities here.

30. Fortunately, ladies and gentlemen, in the great scheme of things, it is still early days. Our Baby Boomers are still relatively young and it is in these early days that they must necessarily recognize the democratisation of public opinion need to be led from positions of knowledge and intelligence.

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31. For the sake of our common future, we need to have strong and visible thought and opinion leaders, from the fields of academia, the public and private sectors and the NGOs - persons and organisations whom are conscious of their responsibility to the cause of the greater and higher good – and not those bowed to narrow vested interests, commercial or otherwise.

32. We need to have in enough numbers enlightened citizens to sift the rice from the chaff, to separate the wood from the trees.

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Ladies and Gentlemen;

33. People of my generation do not question the dichotomy between our Eastern values and those that are heralded as universal values or global human rights.

34. This is only natural – we, the older generation, do not see ourselves as global citizens. However, there are nowadays, a growing number who would count themselves as part of a larger human canvas. This, in fact, is a good thing.

35. However, as we cast our thoughts, let us not forget that it was under the push and influence of the American

baby boomers that the belief in individual freedom expanded most in the United States.

- Would this similarly happen here?
- Do we want crass materialism to overtake spiritualism?
- Will we retain the strong sense of community that has served us well all these years?

Ladies and Gentlemen;

36. In the years ahead, above and beyond anything else, we must ensure that the Malaysian moral and ethical

values that we inherently believe in, the moral and ethical values taught to us by our families, our communities and our respective religions, remain - remain in the hearts and minds of our future leaders and citizens.

37. To my mind – the biggest question is this - Will Malaysia’s mainstream values be more liberal – socially, economically and politically – than we, the so-called “Mainstream”, the present "Mainstream", can imagine now - a “Mainstream” who were, in the main, born before there were televisions, born before there were transistor radios.

38. They are certain things that I, and those of my generation, think are

unthinkable, untouchable and non-negotiable but the young, the global-minded young may just think otherwise. Why not? - they would say.

39. May be it would be for the better. I can only hope it is for the better. That is all I can do, for I may no longer be around then. Nevertheless:-

- I do not want our country, while enjoying unprecedented prosperity, to be mired by strife and riots.
- I do not want our beloved nation to be riddled by coarseness, vulgarity and offensive expressions of self.

- Nor do I want wanton greed prevail amongst the powerful and the rich and, far worse still, wholesale abandonment of God and religion.

40. In twenty years time, when our Baby Boomers would be at their peak of their influence and income, those who were born in 1957 will be, Insyah'allah, 75 years old. By then, those who were actually alive when our Founding Father Tunku Abdul Rahman raised his hand that fateful morning, will be very few.

41. Fewer still would be those who hold real-life memories of the hardship of building the early foundations of this country.

42. No, ladies and gentlemen, I am not asking us to bask in nostalgia. Nor am I asking for the young to be forever grateful. But I want them to be wise.

43. Their impact, as I said, will be profound. By the very fact of their living, they will irrevocably shape the political, economic and cultural landscape of this country.

44. If we are to have a robust society, a society that can withstand challenges untold, circumstances unforeseen, we need to be intellectually confident.

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45. Unfortunately, we do not, as yet, have a rigorous corpus of philosophy to intellectually underpin our high-income Malaysian civilisation. With the exception of Japan and to some extent Korea, there is no viable Asian model of an advanced economy for us to take example from.

Ladies and Gentlemen;

46. My address today was not intended to be academic. Nor was it my intention to have an intellectual discourse on the intricacies of economics and finance. My speech this morning is meant to be a message of hope.

47. It is my hope that this new generation, the first generation of Malaysians to enjoy the benefits and advantages of a high-income economy for the majority of their adult lives, will take this country to greater heights.

48. I thank Khazanah Nasional for inviting me here this morning. I trust the deliberation today and tomorrow will produce positive results to ensure our greater tomorrow.

Thank you.