

**LANKAWI INTERNATIONAL DIALOGUE 2011 (LID) 19<sup>TH</sup> – 21<sup>ST</sup> JUNE 2011  
PUTRAJAYA, Malaysia**

*COUNTDOWN TOWARDS LID BEGINS*

***Friday 17th June***

To share the Malaysian experience of dynamic, focused development is to share the very essence of Smart Partnership, CPTM Chairman **Tan Sri Datuk Dr Omar Abdul Rahman** stated, before the start of the Global 2011 Smart Partnership Dialogue here in the heartland of the Malaysian government.

This is Putrajaya, the purpose-built new capital of Malaysia's administration and a concrete-and-steel outcome of Smart Partnership approaches literally in the field – this entire city was just open land and smallholdings 25 years ago.

This is a city through which Malaysia conducts much of its domestic business and world affairs but it's unlikely ever to have witnessed anything quite like this Dialogue. In this Dialogue we experience an informal and enlightened coming together of many of the smartest minds and richest experiences in the world, all focusing on fresh ways to progress the priorities of social and economic transformation for developing nations everywhere.

Organised and hosted by the Malaysian Ministry of Foreign Affairs alongside the Ministry of Science, Technology and Innovation, this Dialogue comes in a very different format to the 19 previous international Dialogues that have helped shape the CPTM Smart Partnership Movement since the first, back in 1995 on the beautiful Malaysian island of Langkawi. Less informal and more structured in terms of showcasing the developmental progress of Malaysia, Global Dialogue still honours past smart achievements by maintaining the title 'Langkawi International Dialogue', or LID, even though we are 400km to the south-east and in a severely contrasting urban environment.

Connecting Langkawi and Putrajaya, we are reminded, are strong bonds that tie together the three main energisers of Malaysia's recent transformation towards 2020: innovation inclusion, quality inclusion and financial inclusion. Today the success of Langkawi as a globally-renowned leisure resort and of Putrajaya as a foundation-stone of Malaysia's future illustrate the limitless opportunities that Smart Partnership approaches can open-up for communities, nations and regions.

Malaysia's success is also based on its grasp of real-world values and its ability to face-up to major challenges, not least in these uncertain days of 2011. For example, Malaysia knows its oil and gas industry is not sustainable in the longer term, when depletion of reserves will make it uneconomic. And forces of globalisation have caught up with Malaysia in ways the country never anticipated, challenging not least the country's core National Vision and its ambition to achieve 'developed' nation status by 2020.

Against this background our Hosts expressed strongly their wish to hear and share our experiences, while we hear and share theirs. The environment of the Putrajaya International Convention Centre may be very different to what the Global Dialogue is used to, but we still recognise this Dialogue as a huge opportunity as well as a challenge...so will it live up to expectations?

*MALAYSIA AND AFRICA FORGE NEW LINKS*

***Saturday 18<sup>th</sup> June***

As the run-up to the Global 2011 Smart Partnership Dialogue got under way, our hosts launched the first Malaysia-Africa Business Forum in the convention centre. Its aim was to explore new dimensions through which trade and industry across Africa and

throughout Malaysia can develop and flourish through win-win initiatives, creating common goals of progress towards economic transformation.

The enormity of this win-win potential is reflected in the fact that Malaysia's trade with the whole of Africa last year reached US\$7.5 billion, while its trade with Germany alone – a nation just one per cent of the size of Africa – surpassed US\$12 billion.

This forum, the first of its kind, seems set to get the ball rolling and the 750-plus participants – who included nearly 200 from Africa – enthused optimistically about its scope to open-up new opportunities for Smart Partnership approaches.

#### *'TUN M' CALLS FOR STRONGER LINKS BETWEEN AFRICA, MALAYSIA*

The founder of today's fast-moving and ambitious Malaysia is indisputably **Dr Mahathir Mohamad**, Smart Partner of repute and formally a long-serving and far-sighted prime minister of his nation. Speaking here in Putrajaya on Saturday to a full audience of Smart Partners during the Africa-Malaysia business forum, 'Tun M' as he is widely and affectionately known simply smiled in greeting and won the attention of all as he proposed ways to forge closer links between mighty Africa and powerhouse Malaysia and its south-east Asia neighbours.

Calling in particular for far better air transport links, Dr Mahathir said there were still not enough exchanges of people between Africa and Malaysia – because of poor air transport.

The inspirer of the Smart Partnership Movement railed against the barrier caused by the paucity of transport links between much of Africa and south-east Asia. Dr Mahathir urged the creation of a new air bridge linking these two centres of development, a regular low-cost Air Asia-style flight that provides affordable and profitable services to benefit businesses and communities alike.

"We have students here from all over Africa but we don't have direct communications," he reminded us. "African visitors have to fly via Paris or Dubai and then to Malaysia – this won't inspire or enhance our relationships.

"Better air links wouldn't be profitable from the start but we should be prepared to accept losses initially, in favour of more two-way traffic in the longer term. The people of the Gulf have good relationships with Africa because they've created air links. We must ensure people can move directly between Africa and Malaysia. The world is shrinking – and having an air link is very important in the process of bringing the nations of Africa closer to Malaysia and our neighbours.

#### *Direct personal relationships are crucial for development*

"The most important thing is *knowing* each others' countries. Personal relationships are so important, not least in understanding the rules and regulations and ways of doing business in particular countries.

"When Malaysia was under-developed we invited foreign investors. If you're friendly when you invite people to your home, people will come and people will return. Malaysia attracted so much foreign investment that we ran out of workers. At independence, 50 per cent of our people were unemployed. During our development our focus was not on creating money for our government but on creating jobs for our people. We then had to depend on our neighbours to help us undertake the work – today we have two-and-a-half million overseas workers.

“This Dialogue is about getting together, learning about one another and building on the experiences of other countries in the Smart Partnership network. So we could for example have more work-experience exchange schemes involving African and Malaysia. Tourist visits are not enough. We need civil servants to have an exchange programme with their counterparts in Africa. When we enhance relationships between Malaysia and Africa with direct links, we will each see something in our own countries that would be marketable in both regions.”

#### *SMART PARTNERING GET-TOGETHER AND THINK TANKING WELCOME COCKTAIL*

When **Tun Dr Mahathir Mohamad** spoke of barriers that block the simple movement between two groups of people, he spoke reality.

As if to prove his point regarding the difficulties of this journey, weary yet willing Smart 29ers from Africa arrived here in Kuala Lumpur in the evening to embrace the vigorously informal launch of the 2011 Smart Partnership Dialogue. The cocktail, held in the lounge on the 30<sup>th</sup> floor of the Seri Pacific Hotel, set the scene for the ensuing days' activities in an informal and friendly manner.

These young people have seen much of the world today. For example, those who've come from Kampala in Uganda are here via flights first to Addis Ababa, then to Dubai, and then to Malaysia. Nineteen hours from first take-off to final landing (if you're lucky) along two sides of a triangle, plus extensive travel/security/documentation time on the ground. So for these new and would-be Smart Partners this journey has proved an expensively exhausting day-and-a-bit ordeal, a journey that in many regions of the world you could make in a relatively affordable and bearable eight-hour flight.

How much longer will travel between South-East Asia and much of mighty Africa cost so much and take so long?

That's a question these Smart 29ers will address soon in partnership with people like Dr Mahathir, whose initiative they're starting to emulate.

But that's a challenge for the ensuing three full days of the Global 2011 Dialogue. Tonight these newly-arriving Smart Partners were too busy getting to grips with the unique environment in which they've landed, the worldly and determined people they're meeting and the unbridled energy of Smart Partners like **Professor Tom DeGregori**, who spoke with the inspiring sincerity of experience.

Many of these travel-weary young people spoke enthusiastically of the scope they now have as Smart Partners to help lower barriers between people and spark transformation in the ways that Dr Mahathir and Tom DeGregori are still achieving. And with equal enthusiasm they look forward to Sunday, the first full day of the 2011 Global Dialogue.

#### *ENHANCING SMART PARTNERSHIP FOR SOCIAL AND ECONOMIC TRANSFORMATION*

##### ***Sunday 19<sup>th</sup> June***

**Hon Dato Sri Anifah Aman**, Minister of Foreign Affairs began the day's first phase of Dialogue in Putrajaya's convention centre by reminding us of the purpose of our gathering – to enhance Smart Partnership for social and economic transformation.

“Smart Partnership continually strives to remain relevant,” he stated. “Transformation is on the agenda of most governments and Malaysia is no exception. Today we are showcasing the ways in which we are achieving transformation.”

“Today we will witness the rejuvenation of the Global Dialogue. Each section of the structure of this Dialogue will have a purpose.”

Malaysia’s Prime Minister, **Datuk Seri Najib Tun Razak**, then welcomed the participants to Putrajaya, where this year’s Global Dialogue was to enable Smart Partners from around the world to see at first hand some of the key ways in which Malaysia is achieving its transformation from a peasant nation to a world-ranked economy with an average annual earnings per head of US\$15,000. He confirms the next Global Dialogue in Malaysia will return to Langkawi, where the first such event was held in 1995.

*Malaysia-Africa trade up nearly 40 per cent on 2009*

As the Prime Minister formally opened this Dialogue he noted significant improvement in trade between his nation and Africa in recent years – up 39 per cent in 2010 compared with 2009, for example.

“Over the past decade Africa’s GDP on average has risen by 5.2 per cent annually, which is admirable progress. Malaysia looks forward to increasing our trade with our partners in Africa and the Caribbean. The opportunities are limitless. Collaboration between Malaysia, African and Caribbean small and medium-size enterprises could prove a fine Smart Partnership opportunity for the future.

“Smart Partnership can contribute to the goals of helping the poorest countries to ensure their people become empowered. Our new leaders [in various nations] need to embrace change and, above all, take risks. All leaders should strive for transformation and change. Complacency is what we need to fear, not transformation.”

The Prime Minister told of how this Dialogue is enhancing Smart Partnership still further by developing Smart Partnership between the government and the people of Malaysia. This, he stated, represents an initiative that will help find out what people expect of government and what they want the government to achieve.

“This fits in very well with the notion of good governance,” he added. “The achievement of national visions depends on good governance. Countries that don’t focus on good governance are doomed for failure.”

Next our focus on realising national visions through socio-economic transformation is sharpened by presentations and sharing of experiences involving the President of Zimbabwe, the Prime Minister of Swaziland, the Vice-President of Uganda and the Minister of Finance and Development Planning of Botswana.

*Throw your shyness in the ocean, come and talk about investment*

**Hon Situmbeko Musokotwane**, Minister of Finance for Zambia, reminded us how Zambia has been growing each year by some five per cent, yet poverty reduction still isn’t happening quickly enough. “Where are Malaysian investors [in Zambia]?” he asked. “Just look at that the Chinese are doing in Africa. Throw your shyness in the Indian Ocean and come and see us about investment. Don’t be misled by rumours and stories about the whole of Africa being on fire – it isn’t!”

The day continued with presentations and experience-sharing involving the Prime Minister of Malaysia and Heads of State of government from several African nations, embracing activities and priorities related to poverty eradication in their countries and regions.

That evening the leading figures along with CPTM Fellows and Smart Partners from many nations attended a Welcome Dinner in Kuala Lumpur hosted by the Prime Minister of Malaysia, who praised Dr Mahathir – “the driving force for Smart Partnership for so long.

“Let’s not be complacent,” cautioned Datuk Seri Najib Tun Razak. “We need to sustain our efforts and engage the people themselves as we work for transformation. The Smart Partnership Global Dialogue owes its success to our collaborative commitment to work in true partnerships...and tonight I confirm Malaysia’s commitment and determination to help make it succeed.”

### ***Monday 20<sup>th</sup> June***

#### ***SMART PARTNERS SEE FIVE DRIVERS OF TRANSFORMATION IN ACTION***

On Monday Smart Partners began to see for themselves just how effectively Malaysia is beginning to reap the harvest of its efforts to use the combined potential of nature and science to transform the fortunes of its farmers and food producers.

Smart Partners split into five field groups to focus closely on five of the driving forces of Malaysia’s transformation: its move from agriculture to agribusiness, its competitiveness in manufacturing, its promotion of ICT enterprises, its nurturing of SME start-ups in biotechnology, and its approach to climate change and sustainable development.

In the first of these field groups, we gained valuable insight into how Malaysians are striving with particular passion to move their country from agriculture to agribusiness. These efforts are spearheaded by the Malaysian Agricultural Research and Development Institute, or MARDI, one of the nation’s 13 major research institutes.

‘New agriculture’ are key words as scientists and researchers focus on novel ways to improve crop yields and increase resistance to soil-born and airborne crop diseases. They have created more than 50 new commercial varieties of rice alone in recent years and their achievements across agriculture benefit not only the human food chain but also industrial users, including builders who use materials made from new fibre crops.

We talked with agribusiness specialists at the Universiti Putri Malaysia, who work closely alongside MARDI to transform food production and food security. Good Agricultural Practice, or GAP, are also the watchwords at the Malaysian Agrifood Corporation, MAFC, which has pioneered a process to ensure farm-fresh Malaysian produce is harvested, warehoused and distributed in a single ‘total food chain’ process that combines tailor-made chilled trucks and a massive low-temperature warehouse. As a result, small farmers across Malaysia can now send their crops fresh from the field to customers as far away as the UK – and increase their profits in the process.

MAFC focused entirely on Smart Partnership approaches, we learned. With big multinational stores now changing the retail environment across Malaysia, food production, safety and standards are top priorities.

#### ***Better food quality, less food waste: win-win for Malaysia***

Food wastage comes under particular scrutiny at MAFC. While developed countries waste a large proportion of food at the retail end of the food chain and beyond, the problem for developing countries is wastage during food harvesting and production – very little is wasted at the retail stage. Malaysia suffers some 30 per cent loss of foodstuffs between production and retail, a figure MAFC is striving to reduce as part of its bid to enhance sustainable development, which is so important in satisfying demand in developing nations.

One method MAFC is using places contracts with farms, enabling farmers to become 'agripioneers' who are trained and become compliant with GAP standards. Win-win results include less wastage, higher quality and major environmental benefits including 50 per cent savings of water used in tomato growing and 70 per cent less fertiliser used. Seventy per cent of MAFC farmers' food crops now go to the international market.

Throughout the day and during a feedback session at UPM Smart Partners pressed the scientists we met for their advice and experience on a wide range of priorities including genetically-modified crops...and established new relationships between our Malaysian hosts and Smart Partners from around the world, which likewise have the potential to take root and flourish as nations develop their own ways to emulate the outstanding progress of Malaysia's agribusiness revolution.

**Joseph Annan**, Deputy Minister in Ghana's Ministry of Trade and Industry, captured the mood perfectly.

"In Africa, agribusiness is growing in leaps and bounds," he reminds us. "Africa has nearly one billion people in its population, plentiful resources, a young population and a growing market. The word is OPPORTUNITY.

"So let's work together at the technical level, in terms of investment. Africa is seen today as the only worthy continent for growth. Let's work together with our friends from Malaysia and win-win with the potential of our continent."

The other groups visited sites which included The National Centre for Machinery and Tooling Technology, Rasa, Proton in Selangor, Malaysian Institute of Microelectronic Systems, Technology Park Malaysia, Forest Research Institute of Malaysia, Kepong, and the Malaysian Palm Oil Board among others.

## *PLENARY SESSIONS*

### ***Tuesday 21<sup>st</sup> June***

As this year's Global Dialogue neared its finale, we heard from the Smart Partners who grabbed one of the five key chances to meet in the field and to share two-way learning with a broad range of Malaysia's leading industrialists, engineers, entrepreneurs, academics, scientists and innovators – in their workplaces.

First, Smart Partner **Dr Charity Kerapeletswe-Kruger (Botswana)** reported on the business of agriculture, a priority of Malaysia as it strives to achieve a revolution for its farmers and food producers. Her group visited the Malaysian Agricultural Research and Development Institute (MARDI), Universiti Putra Malaysia (UPM) and the Malaysia Agrifood Corporation (MAFC).

"Small-scale farmers are gaining greater access to their markets through innovations such as a cluster production system and contract farming," Charity reported.

"It's all about focusing on market access, quality and standards, agro-entrepreneurship all along the value chain, food security, commitment and efficiency, effective uses of technology and taking an all-encompassing transformation from traditional agriculture to agribusiness.

*We need to champion the changes*

"There a need to champion the change from agriculture to agribusiness. Malaysia has done it – why cannot Africa? Support for farmers to comply with international standards is

required. So is technology transfer, too, and promoting co-operation between Malaysia and Africa, including education and know-how and ideas. Africa has huge land resources that could be used for agribusiness, with the benefit of Malaysian technology in Smart Partnership approaches.”

Smart Partner **Rosy Jacobs (Namibia)** related how two companies linked with the Malaysian government, SIRIM and Proton, reflect the extent to which Malaysia has set clear goals to industry to gain global status. SIRIM is recognised as a global research and standards development organisation while Proton ensures Malaysia’s status as one of only 11 countries with full-scale automotive capability, with 12,000 workers and 50,000 more in supplier companies.

“We found how important it is for transformation to have visionary government leadership, acting as a catalyst to bring about strong partnership and collaboration between public and private sectors,” Rosy reported.

“It’s vital that we help promote collaboration between Malaysia and African countries in areas of mutual interest.”

**Lira Ralabese (Lesotho)** reported on Monday’s dialogue in the field of promoting ICT enterprises, where Smart Partners shared experiences at the Multimedia Development Corporation (MDEC) and the Malaysian Communications and Multimedia Commission.

“We recognised the importance of understanding the components of the technology ecosystem in countries to plan robust ICT initiatives,” he related.

“Governments need to provide seed funding to kick-start the ecosystem before the intervention of the private sector. Also, there’s a need for strong partnership to be created between African countries and Malaysia to deliver effective technology transfer.”

*Nurturing new small businesses must be continuous*

Nurturing SME start-ups in biotechnology, another key Malaysian priority, saw **Dianne Lalla-Rodrigues (Antigua & Barbuda)** plus some 20 other Smart Partners meeting Forest Research Institute Malaysia (FIRM) and Malaysian Agri Hi-Tech (MAH).

“Our experiences emphasised how the nurturing of SMEs is a continuous process,” Dianne tells us. “We are very clear as a result of our dialogues that technology can be transferred and adopted by the home country – and that the private sector is ready to embrace this initiative.

“Together we discussed priorities including the need to address financial issues, intellectual property rights, standards and quality and engage traditional knowledge and herbalists.”

Climate change and sustainable development saw Smart Partners meeting teams at Core Competencies Sdn Bhd, a private sector company, and the Malaysian Palm Oil Board (MPOB).

Smart Partner **Ir Louis Paul (Malaysia)** related how vigorously Malaysia is embracing Smart Practice approaches at many levels. Using palm oil as a reusable resource in a sustainable way certainly is a smart approach. The people at Core Competencies have produced a first-of-its-kind system of solid waste management that is very impressive.

“We noted several challenges including food security and a lack of take-up of the schemes both these organisations are implementing. The government has to be the champion of such initiatives and help them spread their good work.”

Louis described how the commercialisation of technologies has enhanced the quality of exportable services and products. “We saw the value of good agricultural practices for health and food. Besides the quality of industry players, we also noted the strong motivation and high expertise of agency people involved.”

*Moderates must have the courage to speak up, urges PM*

We also gained insights from many of the Heads of State and heads of government following their informal talks on the future direction of Smart Partnership, held while Smart Partners undertook field visits yesterday. The Indian Prime Minister expanded on his call for moderation.

“This global movement of the moderates is to ensure moderates of all faiths, all religions, have the courage to speak up and speak out to nullify the ways in which a small group of extremists can tend to dominate views expressed and exert an undue and disproportionate influence,” he explained.

**HE Mr Jayaka Kikwete, President of Tanzania** told of their discussions of food security at a time when demand is increasing from a growing population. “By 2050 we will be nine billion people in the world,” he pointed out. “We need to do a lot to ensure food supplies keep up. Africa is a food deficit continent – we don’t have enough to feed ourselves. But we CAN provide enough and become the bread basket of the new population, if we can overcome the restraints on food production in Africa – in fact there could be enough for Africa AND the rest of the world with its growing population.

“If we reduce post-harvest losses and increase access for farmers to short-term credit we could unlock the potential of Africa, through Smart Partnership approaches. Smart Partnership can also help close the ICT gap from which Africa suffers so badly.”

*Show our young people that farming has a future*

The **Rt Hon Bethuel Mosisili, Prime Minister of Lesotho**, called for innovation to reduce the problems African people are grappling with.

“In my country the farmer is a dying species because only OLD people are doing any farming, and it’s generally subsistence farming. The young people, understandably, are not interested – they’ve seen their parents striving and not succeeding. We need to show our young people that farming is a viable business in which to invest.”

Final words of Global Dialogue 2011 come from the Malaysian Prime Minister, who took pride at knowing the Dialogue remains as relevant now as it was 16 years ago, when the first was held here in Malaysia. He calls for a “philosophical review of the Smart Partnership process and link that with results” to deliver true transformation for nations and their peoples worldwide.

“Transforming from a food deficit nation or continent to one with food surplus is transformation,” he states. “From agriculture to agribusiness is transformation. Evolving from poor governance is transformation.”

The Malaysian Prime Minister ended by saluting Tanzania, the nation that has offered to host the next Smart Partnership Global Dialogue in 2013.

“Tanzania holds Smart Partnership principles dearly and we will work closely with Smart Partners in our region and beyond to ensure its success,” promised HE Jayaka Kikwete, President of Tanzania.

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