Bismillahirrahmanirrahim

Assalamualaikum Warahmatullahi Wabarakatuh, Good Morning and Salam Satu Malaysia.

Yang Berhormat Datuk Paul Low Seng Kuan;
Minister in the Prime Minister's Department,

Yang Berbahagia Tan Sri Abu Kassim bin Mohamed;
Chief Commissioner of Malaysian Anti-Corruption Commission (MACC),

Yang Berbahagia Dato’ Hafsah Hashim;
Chief Executive Officer, SME Corporation,

Madam Lynn Costa;
Senior Trade Development Advisor from the US Department of Commerce,

All participants,

Ladies and Gentlemen,

1. It is a pleasure to join you today. I am delighted that Kuala Lumpur has been honoured to host this event. On behalf of the people of Malaysia, I welcome all of you, especially those who have travelled far to be here today. And I offer my congratulations to all those who successfully completed the Business Ethics ‘Train the Trainer’ program.

2. The program is a significant step toward realising APEC’s aspiration to make our SMEs more competitive. In construction, engineering, biopharmaceuticals and medical devices, our economies have codified business ethics; making it easier for SMEs to make business decisions that will lead not just to prosperity, but to sustainable prosperity; and not just for one sector, but for our economies as a whole.

3. This is an idea whose time has come. Around the world, the quality of growth is a matter of intense interest. Seeking to predict or avoid another global financial downturn, analysts and governments around the world are searching for the right
recipe for balanced and sustainable growth, with businesses and economies healthy enough to weather external conditions.

4. Some economists are questioning the business model that puts shareholder value first. By emphasising quarterly profits above all else, businesses risk underinvesting in capital and people; undermining their long-term competitiveness in search of a short-term payoff. That in turn can affect whole economies.

5. In many countries, public confidence in financial industries is wavering, as ordinary people reap the unhappy harvest of bets gone bad. Some banks over-reached, abusing the trust of shareholders and other market participants; and when systems failed, taxpayers were asked to pick up the bill. In the countries hardest hit by the recent financial crisis, that led to serious questions: about whether banks are properly equipped to assess risk, about whether their current business model is appropriate.

Ladies and Gentlemen,

6. Together, these conversations – about the nature of good growth, the real value of companies, and trust in the financial system – add up to something bigger. Around the world, there is an on-going discussion about the nature of the modern market economy; about how capitalism can serve people and nations, not just businesses. And it is increasingly clear that a stronger focus on business ethics is part of the answer.

7. By encouraging a culture of responsibility and ethics, as described by clear universal standards, we can make a valuable contribution to the debate about how market capitalism can benefit modern society. We can also make a significant improvement to the future health of our economies.

8. For Malaysia, APEC’s push to make small and medium sized enterprises more competitive is particularly welcome. The vast majority of our businesses are SMEs; they account for half of national employment and nearly a third of our GDP. Any move to strengthen their competitiveness has clear and positive implications for Malaysia’s economic future.

9. And we are not alone. Globally, it is thought that SMEs make up 90% of all businesses, and employ 60% of the workforce, from precision component manufacturing in Germany to small-scale agriculture in Nigeria. As the international community looks toward the post-2015 development agenda, supporting SMEs to make better business decisions – and to grow more sustainably – can not only help millions of businesses and billions of workers, but also advance the cause of global development.

Ladies and Gentlemen,

10. With this in mind, I applaud this initiative undertaken by APEC’s secretariat and business advisory council, and the pacific economic cooperation council. By bringing business ethics into sharp focus, we are cutting through the existing mess of fragmented, complex, and unclear rules. For ASEAN countries, it is also a key
component of our ASEAN Economic Community 2015 blueprint, helping prepare the
ground for the single market by harmonising standards.

11. This regional co-ordination is critical, but it is only one part of the story. To
build truly sustainable economies, we must also signal our commitment to ethical
business practices by acting and reforming to tackle corruption at home.

12. Here in Malaysia, we have established a governance and integrity portfolio in
the Cabinet; the Minister, who sits in my own department, was formerly the President
of the Malaysian chapter of Transparency International. And the Attorney-General
Chamber of Malaysia is drafting corporate liability legal provisions to complement the
existence of our anti-corruption, commercial crimes and companies laws. I want to
make corruption part of Malaysia’s past, not its future. And that means changing
organisational as well as business cultures.

13. The elevation of our anti-corruption agency to independent commission
status, with its own self-regulatory mechanisms, is a case in point. Although we
learned from best practice internationally, the Malaysian Anti-Corruption Commission
set a higher bar. The Commission answers annually to a parliamentary special
committee on corruption, an independent advisory board, a complaints committee
and two other consultative panels.

14. As the United Nations Office on Drugs and Crime has noted, these checks
and balances have helped the Commission work independently, transparently and
professionally. It is our hope that it will not only continue to strengthen its own
capabilities, but also that it may serve as an example for other countries looking to
build the institutional capacity to combat corruption.

15. The Commission’s work spans the full range of business activity. Companies
participating in government tenders have signed integrity pacts. Multinationals,
publicly listed and government-linked companies have voluntarily strengthened
internal controls and participated in a corporate integrity pledge exercise to
showcase their commitment to anti-corruption principles. Over the past three years,
the Commission has trained and certified integrity officers, and is instrumental in
setting up integrity units in all government agencies and government-linked
companies.

Ladies and Gentlemen,

16. Together, this represents a significant intervention in the business
environment. But the return on this investment will be equally significant. For
governance and commerce alike, the most vital currency is trust. If we deliver what
we promise people – in this instance, a concerted fight against corruption – and
deliver consistently over time, that currency will appreciate. The reward is not just a
more open and transparent business environment, with more vibrant markets and
greater opportunity, but also a renewed faith in the ability of governments to change
things for the better.

17. It is here that the practical importance of the various APEC business ethics
codes is clear. By setting standards which govern the trade of essential items –
buildings, medicine, medical devices – they can make a real difference to people’s lives.

18. However, for the codes to be respected and trusted, our SMEs must be properly guided and trained. Now begins the hard work of follow up and follow through, the long process of embedding new principles and changing the operating culture of many thousands of businesses. Now it is up to you to effect change.

Ladies and Gentlemen,

19. You must help entrepreneurs and businesspeople to uphold the principles of business ethics as set out in Hanoi, Mexico City and Kuala Lumpur. You must remind them to live by the codes in all their business dealings; to help them compete in a more closely connected – and comprehensively regulated – global marketplace. In so doing, you can contribute to the health not just of individual businesses, but of entire economies too.

20. With that ambition in mind, I hereby declare the Asia-Pacific Economic Cooperation Business Ethics Train-the Trainer program closed.

Thank you very much.

Wabillahitaufik Walhidayah Wassalamualaikum Warahmatullahi Wabarakatuh.