

EXCERPT: A CONVERSATION WITH TAN SRI RAFIDAH AZIZ

PERDANA LEADERSHIP FOUNDATION ORAL
HISTORY SERIES



PROFILE

TAN SRI RAFIDAH AZIZ

Tan Sri Rafidah Aziz was appointed as an Independent Non-Executive Director and Chairman of the Air Asia X Board on 3 March 2011 and redesignated as a Senior Independent Non-Executive Chairman upon listing of the Company on 10 July 2013. She is also Chairman of the Nomination and Remuneration Committee of the Board and Safety Review Board of the Company.



Tan Sri Rafidah (right) greeting Tun Abdul Razak Dato' Hussein, the second Prime Minister of Malaysia, early 70s

She holds a Bachelor of Arts degree in Economics and a Master's degree in Economics from the University of Malaya.

She is Malaysia's longest-serving Minister of International Trade and Industry, having served in that capacity from 1987

to 2008, and contributes a wealth of international experience.

Prior to this, she held the portfolio of Minister of Public Enterprises from 1980 to 1987 and Deputy Minister of Finance from 1977 to 1980. Tan Sri Rafidah also has experience lecturing at the Faculty of Economics and Administration at the University of Malaya between 1966 and 1976. She now serves as an Adjunct Professor at the College of Business, University Utara Malaysia.

She has received various awards from the states of Selangor, Perak, Melaka and Terengganu as well as from Argentina and Chile. She has also been conferred Honorary Doctorates from Universiti Putra Malaysia, Universiti Utara Malaysia, Universiti Tun Abdul Razak Malaysia, the University of Malaya and Dominican University of California, United States of America.

She also serves as Chairman of Megasteel Sdn Bhd, and Pinewood Iskandar Malaysia Studio and is the patron of several NGOs.

ECONOMICS & UNIVERSITY

CHAPTER EXCERPT

DR. MOHD SHAHWAHID (DMS) | How did you become interested in economics?

TSR | When I was studying at Victoria Institution (VI), one of the lecturers, Mr Doraisamy, did a very good job teaching Economics. I never had any real life experience with economics but I understood what he was teaching back then. He made the subject very interesting.

Economics, in a way, is not just about supply and demand; it's about life. When I first studied it, it was something new and fascinating, and the teacher made it exciting as well. I liked history but I hated the way it was taught.

DMS | You didn't do too badly in economics, Tan Sri. You earned a degree in Economics from Universiti Malaya (UM) then became the first Malay woman in UM to obtain a Master's degree in that subject.

TSR | Well, there were very few Malays who studied

Economics at the time! Somehow, Malays didn't really like to study Economics then, especially the women. I became the cover girl of *Wanita* (a popular Malay-language women's magazine) and many other magazines when I got my Masters in Economics but instead of feeling celebrated, I felt sad and depressed.

Do you know why?

It's because students from other ethnic groups had already achieved Doctors of Philosophy Degrees (PhDs), yet we (Malays) only had our first female Master's Degree graduate in Economics. We were far behind. My benchmark weren't the Malays but other ethnic groups. Every time a reporter asked to interview me, I declined because of how I felt. They were confused, of course, as to why I was downhearted. I thought it was depressing that Malays had only one female Master's graduate in Economics at the time.

INTERNATIONAL TRADE

CHAPTER EXCERPT

DMS | DURING YOUR TENURE AS THE MINISTER OF International Trade, Malaysia became the 20th largest trading nation in the world and the world's largest exporter of semiconductors. What was the role of MITI in helping to facilitate Malaysia's trade?

TSR | Market opening was one thing, removing trade barriers was another. But the most important factor is the competitiveness of our products and services. There is no point entering a market with a lousy, high-priced, and low-quality product. No one will buy our products! Even if the market is not duty-free, if we are cost competitive, that tax element should not really matter. You have to be competitive in the context of the market that you are operating in. Today, as you know, margins are becoming smaller. Therefore, efficiency of production, quality, and integrity of services and products are demanded by an increasing number of consumers. Consumers do not mind paying a higher price for products that are of good quality.

We also need to know how to reach out to the market. Let's

just imagine that, for example, the American market is now open to the world due to a trade agreement. If you are just getting started planning for the production and supply of your products and services, whereas another firm in another country has already spent years preparing to enter the US market, what is the point? Everything, eventually, will have to be translated into sales. If you cannot translate a trade agreement to sales, it would be a waste of time. Thus, for MITI, it was also important for us to help the private sector become more competitive. We helped them with market intelligence and valuable market research information.

I believe we need to return to the function and servicing of the private sector now, and help them boost their competitiveness in the regional and global markets.

DMS | There were a lot of rumours saying Malaysia sometimes lost trade negotiations because of our officials' incompetence.

TSR | I had experiences where officials from other ministries failed us, because they were not proficient in English, didn't attend the negotiations, or didn't understand what was going on. There was nobody manning the fort.

Sometimes we imposed tariffs in areas that didn't make sense. For example, we had tariffs against American products such as kumquats and herrings. When I questioned the Ministry of Agriculture officials about this, they said it was because herrings competed with our local fish and kumquats competed with our local fruits.

I don't even know what herrings look like, and I don't think

Malaysians eat kumquats! So why did we put tariffs on kumquats and herrings? Kumquats are fruits that we don't even know about, let alone eat, so why were kumquats placed in the same class as our durians? When the United States Trade Representative (USTR) asked me about these tariffs, I was shocked as I could not comprehend the rationale.

I called the official at the Ministry of Agriculture and lectured him on why it's stupid to have tariffs on products like kumquats and herrings. I told him to bring the matter up to his Minister, or else I would raise it in the next Cabinet meeting. If Tun Mahathir knew about it, he would get upset as well, especially as it was a small matter that should be resolved outside of the Cabinet. Subsequently, the Minister abolished the tariffs.

(Tan Sri elaborates further in the book)

LEADERSHIP

CHAPTER EXCERPT

DMS | YOU SERVED FOR A VERY LONG TIME IN THE CABINET. Can you comment on the Prime Ministers whom you worked with?

TSR | I served three Prime Ministers: Tun Hussein, Tun Mahathir, and Tun Abdullah. My work with Tun Abdul Razak was mainly at UMNO level.

They all contributed in their own ways to the country. Personalities have got nothing to do with their performance. They were all able to perform well because they had good teams in the Cabinet and government backing them, along with government officers who were dedicated, and understood what public service is all about.

ABOUT PERDANA LEADERSHIP FOUNDATION

Perdana Leadership Foundation was chartered in January 2003 as a non-profit organisation, founded with gifts from people who supported the vision of a thriving research and learning institution dedicated to the study of Malaysian leadership and nation-building. It is unique in the sense that it began as an entirely private sector initiative, seed-funded and organised by private sector individuals and corporations. Most of the Foundation's present trustees were the early benefactors of this Foundation.

The Foundation's physical home in Precinct 8, Putrajaya, was completed in October 2003. The stately building now houses the Perdana Library, an auditorium as well as a multi-purpose hall in addition to the offices of the Foundation's Honorary President, YAB Tun Dr Mahathir Mohamad, Prime Minister of Malaysia, and his wife, YABhg Tun Dr Siti Hasmah Mohd Ali.

A tax-exempt, non-profit organisation, the Foundation intends to become the premier institution for the study of Malaysia's Prime Ministers and the central resource centre

for research into national stewardship as well as a platform for reflection, debate, and discussion with distinguished figures in Malaysian leadership.

On May 10, 2005, the Foundation was officially launched by the fifth Prime Minister, Tun Abdullah Ahmad Badawi, who expressed the government's full support for the Foundation's objectives and programmes.

Perdana Leadership Foundation aims to:

- Highlight the contribution of Malaysia's past Prime Ministers in the social, economic and political development of the nation
- Create awareness of the development process of the nation and draw lessons from the nation's history to enhance future development
- Become the premier resource centre for the policies, strategies and initiatives adopted under Malaysia's various Prime Ministers which may be used and adapted by other developing nations

The Foundation also has a broader objective i.e. to promote global understanding by providing a channel for scholars and thinkers to undertake research and idea-sharing for lasting, peaceful resolutions.

For more information and resources, visit www.perdana.org.my.