

Steep Decline Of IMD Competitiveness Rankings Proves Investors Has Had Enough Of Najib's 'Transformation' Rhetorics
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Our global competitiveness rankings for 2011 as produced by the Switzerland-based Institute of Management Development (IMD) ranked Malaysia 16th out of 59 countries, marking a significant drop of 6 places from 10th in 2010. This was after a much-hyped jump in rankings from 18th in 2009 to 10th last year.

While the overall rankings decline is disappointing, it is shocking to discover that our ranking for 'government efficiency' and 'business efficiency' tanked from 9th and 4th to 17th and 14th respectively.

What is worse is to for the Minister of International Trade and Industry to justify the drastic drop in rankings due to the fact that these two categories are measured on "perception" and hence insinuating that they are not accurate!

Mustapa Mohamed's statement in response to the above rankings decline emphasized the fact that it was due more to "perception-based factors" which declined as opposed to "real/hard data" which showed our "Economic Performance" rankings improving marginally from 8th to 7th this year.

On the contrary, when there were reported improvements last year when the country was ranked 9th and 4th respectively for these 2 categories, the Minister did not hesitate to pour praises on the Government's performance.

His statement last year had exclaimed "the remarkable advancement in our Government Efficiency rating" and he was gloating that based on "Government and Business Efficiency ratings, Malaysia's performance is now ahead of developed countries such as Luxembourg, Switzerland, Canada, Denmark and Sweden."

Why didn't the Minister qualify his "joy" by saying that the improvements were just "perception" and not based on "real/hard data" last year?

However, if it is really a problem of just "perception" as highlighted by the Minister, then perhaps the entire public relations team in Pemandu as well as the Prime Minister's Department, such as APCO should be sacked for doing such a terrible job in improving the "perception" of our Government despite the hundreds of millions which have been spent on public relations and related exercises.

The fact is, the Government has never done or spent so much public relation exercises, launched in conjunction with multiple programmes - NEM, GTP, ETP, 10MP etc. written beautifully by expensive consultants such McKinsey and Boston Consulting Group.

The steep decline in rankings for these 2 categories is due to the fact that the business community and the public at large have seen through the glossy "transformation" programmes, the snazzy event launches and the choreographed speeches delivered by our Ministers and Government.

After more than 2 years of "transformation" rhetoric, they have realised the real change has not been forthcoming, critical reforms have been quietly shelved while government business

favouring politically-connected parties are continuing business as usual.

Very simply, no amount of fancy PR consultants will be able to change that "perception" if the Government fails to deliver on its promises of change and transformation.

Both the Prime Minister and Minister of International Trade and Industry must recognise that it is the Government's failure to implement the necessary reforms as well as its repeated U-turns in policy-making which has caused the stark drop in global competitiveness rankings.

The failure of Najib Abdul Razak to recognise this will only result in further loss of competitiveness and ultimately the failure to breakout of our middle income trap to achieve the much coveted 'high-income status'.

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