

Best of Asia is in Malaysia, says Abdullah

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FACT: Malaysia is home to the third-largest contingent of outsourcing players in the world.

FACT: In the next few years, as many as 100,000 Malaysians will work in this growing and lucrative sector.

FACT: Malaysia's multi-ethnic population allows its companies to handle operations in different languages.

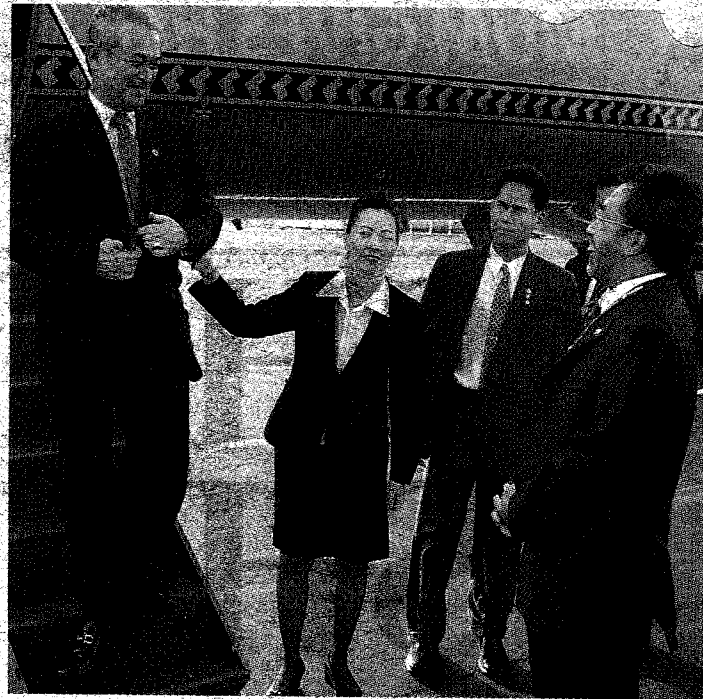
FACT: 95 per cent of Malaysians who study abroad return home after obtaining their degrees.

Prime Minister Datuk Seri Abdullah Ahmad Badawi rattled off these facts yesterday as he launched a campaign to sell Malaysia as a premier outsourcing destination and entrench its global position as the number three behind India and China. Called "Outsourcing Malaysia", the plan involves the Multimedia Development Corporation (MDC), Association of the Computer and Multimedia Industry of Malaysia (Pikom) and Malaysia Debt Ventures working together to promote the country as a hub and come up with strategies to snare a larger slice of the global outsourcing market, estimated at US\$1 trillion (RM3.7 trillion).

"Malaysia has often been called one of the world's best-kept secrets," Abdullah said. "But this should no longer be the case. We want to establish broader and deeper links with countries and companies throughout the globe. We believe we have many advantages that we can share."

"My country is a true microcosm of Asia ... I am here to say to you: Come to Malaysia and to Multimedia Super Corridor Malaysia. Not only will you discover the best of Malaysia, but also of Asia and perhaps the world."

The session on Outsourcing Malaysia is being held on the sidelines of the World Congress on Information Technology, the blue-riband event to be hosted by Malaysia in 2008.



Abdullah being greeted by Science, Technology and Innovation Minister Datuk Seri Dr. Jamaluddin Jarjis (right) on his arrival at the Austin Signature Airport. — Bernama picture



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Yesterday was a full day for the premier. He held a closed-door session with some of the top names in IT and spent nearly two hours visiting exhibition booths at the congress. But aware of the frenzied competition for every slice of outsourcing business from emerging economies, his main role yesterday was that of salesman.

Malaysia can shine in the area of outsourcing business operations because it offers cutting-edge sophistication at a fraction of the cost, he said, touting the country's talent

level, cost structure, world-class commercial environment, political stability, low staff attrition rates and low wage inflation.

"In all, seven urban and regional areas have been developed with these requirements in mind to service the shared services outsourcing community, and four more are being planned," he noted.

"All these locations will come with high-quality utilities, high-speed Internet connections and modern transportation facilities."

Abdullah also noted that over 95 per cent of Malaysian graduates

from abroad elect to return and work at home. This made the Malaysian workforce highly diverse — in touch with Western and Eastern music, art, film, sports and culture, but at the same time holding fast to sound values and possessing a strong work ethic.

Offshore outsourcing is the business practice of outsourcing certain activities of the company to another firm from a foreign country, or relocating certain activities to another country. Many large corporations in the West are under great pressure from shareholders and investors to cut costs and seek more efficient and cheaper skills offshore.

Banking giant HSBC, DHL, BMW, EDS and IBM are among some companies that have set up operations in Malaysia.

Today, there are more than 40,000 employees working in the MSC, with the outsourcing cluster of companies accounting for 40 per cent of these jobs.

Fuelled by the continuous growth of the Asian market, it is projected that this cluster will employ 100,000 workers soon.

Abdullah said he knew that one of the main issues confronting any company wanting to relocate a part of its business was the availability of a steady and expanding stream of skilled knowledge workers.

To this end, a talent development institute is being set up by the MDC to ensure the right kind of talent is available in Malaysia.

He assured investors that under the Outsourcing Malaysia initiative, the resources and expertise of all the players in the country would be pooled.

Abdullah also urged multinationals to partner Malaysian companies for a share of the Asian market. The country's racial mix also allows Malaysian outsourcing companies to handle operations in multiple languages.

Today Abdullah will deliver an address at the closing ceremony of the WCIT.