

Cut the red tape for new businesses, says Abdullah

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PUTRAJAYA: The order has gone out to change the slow and multi-layered process of starting a business in Malaysia.

For starters, a task force will be set up to quicken procedures which have given Malaysia a bad name among investors.

Chief Secretary to the Government Tan Sri Sidek Hassan will head the task force together with a leading member of the private sector, who will be announced later, the prime minister said yesterday.

Datuk Seri Abdullah Ahmad Badawi said each government department should also look into ways they can reduce the number of bureaucratic steps required for businessmen, investors and the public in obtaining approvals from the government.

He said Malaysia had "too many laws" stipulating various permits and types of approvals in order to set up a business.

Citing a World Bank report on competitiveness, Abdullah said starting a business in Malaysia required nine procedures which were completed in a minimum of 30 days, whereas Singapore only required six procedures which could be completed in six days, and Australia, two steps done in two days.

To set up a warehouse or factory in Malaysia, businessmen had to go through 25 procedures

which took at least 281 days to complete.

This was far behind Vietnam, where businessmen had to go through only 14 steps in 133 days, 11 steps in 129 days in Singapore, and nine steps in 127 days in Thailand.

"Where do you think investors prefer to go? You think they want to come to us?" Abdullah said when addressing government staff at the sixth Civil Service Premier Assembly yesterday.

In his speech, he spoke at length about the need to constantly improve the public delivery system, and about the civil service's role in complementing private sector activities which ultimately benefited economic growth.

Abdullah said it was necessary to cut bureaucracy and to streamline or reduce laws and approval requirements as the more the number of procedures, the greater the temptation to be corrupt.

"When people want the public delivery system to be fast, you (civil servants) will be exposed to temptation. Delays and slowness in the civil service will create the perception that there is corruption," Abdullah said.

Although civil servants should accept criticism positively, the prime minister said they must strive to rid the civil service of the perception that it was slow and inefficient.