

**Perdana CEO Forum 2013: The Rest of the World and Malaysia: External Challenges to Malaysia's Growth**

**sidekhassan.com**

**18 Jun 2013**

Bismillahirrahmanirrahim

Assalamua'alaikum warahmatullahi wabarakatuh

Salam Sejahtera

Salam 1Malaysia

And a very good morning

Excellencies, Distinguished Guests, Members of the Media, Ladies and Gentlemen,

There is a saying by Confucious, 'Study the past if you would define the future.' The past tells us, no matter what upheavals the global community faces, that the future course of human history will be one that is intertwined between nations. We have witnessed the collapse of Communism in the 80's, Asian economic crisis in the 90's, the financial crisis of 2008 and the Arab spring of 2010. And many more. There were early jitters in each crisis about the wounded nations retreating unto themselves. Eventually, always, the gates open up. The hardwired connection between societies, governments and corporations continues to strengthen. There is no doubt in my mind that globalisation is here to stay. So then, are we on course to achieve our economic aspirations? Moving forward, what does globalisation mean for us?

2. To be clear, in globalisation, not every nation will be equal. Far from it. How we fare with the rest of the world depends a lot on what we can offer, that others can't. Our greatest asset, in my mind, is our ability to manage and prosper a society of diverse ethnicity, religion and language. In May this year, Financial Times referred to Malaysia as "one of the region's economic success stories and most remarkable multi-ethnic experiments." Globalisation is innate in our state of mind, our state of being. As a society, we tolerate and celebrate our different backgrounds. It is a fine balancing act. The winds of intolerance and extremism did shake us occasionally. But we are still standing. Standing tall.

3. Malaysia has the 67th largest land size, 43rd largest population and 35th largest GDP (27th GDP on PPP). Not a very large nation by any account. Nevertheless, we are 15th in world competitiveness, 12th in ease of doing business and among the 20 largest trading nations. We have also had Chairmanship of OIC, of NAM, three times (1965, 1989-1990, 1999-2000), membership of UN Security Council and hosting of the Commonwealth Games in 1998. Not bad for a small country. These are testament to the global community's acknowledgement of our capacity and capability. We must seize on these acknowledgements. And march forward.

4. The question is not just what we do with the external challenges. We should not reduce ourselves to mere spectators commenting on the challenges. We must become the sculptors who shape the external environment.

5. To do that, we need to be an early adopter, initiator even, of global initiatives; we need to be an active participant; and we need to see beyond our borders.

Ladies and Gentlemen,

### EARLY ADOPTION

6. First things first, we need get to the party, early! In fact, we should be organising the party. There is no point lamenting about things that have been decided. Early comers choose the game and decide the rules. That's the way the world works. We are too small to be reckoned as 'must-have' key player.

7. To continue to prosper, we need to stay the course. Whenever a new grouping, trade round or global initiative is being mulled, we should waste no time in forming and informing our views. Others will be doing exactly that. In global fora, just like in business, there is a small door for 'early mover advantage'. And that door closes fast. Sometimes, too fast. The Internet entrepreneurs in the audience can relate to this. A new smartphone function means a great opportunity for a new app. In one week, that 'opportunity' becomes academic for many and a cash cow for one. So, whenever a new initiative is mooted, every country is evaluating. 'Should I get in and make the rules?' Or, 'That doesn't sound too good, I must get in and change it before it is too late'. If it will give us certain advantages, we should embrace the idea and be part of the rule-making. And if we think it could be counterproductive, it is even more important that we get in there and make our views heard, loud and clear. At best, we can influence the grouping to make favourable changes. At worst we can make sure our disagreements, and its justifications, are understood by all. The message is, we need to get in there, early.

### ACTIVE PARTICIPATION

8. Early adoption alone is not enough. We need to actively say our piece. We cannot assume our position on a specific issue is already well known or that others will not understand our 'unique' circumstances. We may think our 'Affirmative action' might be hard for others to understand. Well, it is not. Affirmative actions are found in many countries, from Australia to Canada to the US. We should not be apologetic for our stand. The same for our defence of the automotive sector. Japan, EU and the US also strongly defend their agriculture sectors. Just last week, France reiterated it will defend its 'cultural exception' to any Trans-Atlantic deal, saying it is a 'red-line'. Bottom-line is, consequences of globalisation are different for each country. Our social fabric, political history, and stage of economic development will dictate what those are for us. And we owe it to every Malaysian, current and future, that our voice is clearly heard on the global stage. It is the hope of every Malaysian that every leader is looking after our best interest. Safeguarding our future, and that of our grandchildren's. And it is the amanah of every leader to speak up and truly represent their constituents. If I may, this is the social contract, between our people and our leaders, which will safeguard Malaysia's interest with the external world.

## SEEING BEYOND OUR BORDERS

9. To see globalisation as a zero-sum game is to miss the point. The theory of comparative advantage which lies at the heart of globalisation means global trade can be a win-win. What is required is, for us to walk that extra mile from the point of 'what is good for me' to the point 'what is good for us.' Of course we can stop at the first point and do what is good for us. But if that means our partners will suffer, then that is merely transferring wealth from one country to another. It will not be sustainable. In fact, it will be self-defeating. For a country that is highly reliant on external trade and global economic well-being, it is in our best interest that we embrace the maxim 'prosper thy neighbour' religiously. To quote Tun Dr Mahathir from his book 'A Doctor in the House', "it is to work together in a spirit of mutuality and cooperation, not inequality and manipulation."

10. An example of this spirit is the Malaysia-Thailand 'Joint Development Authority', or JDA. It was intended to explore and develop the continental shelf in the Gulf of Thailand where overlapping claims exist. The world over, many similar areas are fought by multiple claimants, sometimes with force, other times with seemingly innocent fishermen's expeditions. What follows is always the same – tension, death and zero economic returns. Zero!

11. The 1979 MOU on the JDA says, and I quote, "noting the negotiations on the delimitation of the boundary may continue for some time.... it is in the best interest of the two countries to exploit the resources of the sea-bed in overlapping area as soon as possible". In 1979, we were already talking about what is in the best interest of two countries. It was not the norm then to think in those terms. That was the year of border clashes between China and Vietnam, and the invasion of Afghanistan by the Soviet Union. It still isn't the norm today. We have Sudan and South Sudan; Turkey and Syria; and India and Pakistan. Unfortunately, the list is very long.

12. The message is, we should see beyond our borders. But we shouldn't stop there. Beyond our neighbours, there is ASEAN, ASEAN PLUS 3, RCEP (Regional Comprehensive Economic Partnership), APEC. The world! I suppose, rather than 'prosper thy neighbour' a more appropriate maxim would be 'prosper thy trading partners'. And of course, every country is a prospective partner! For us to do well, they must do well.

## TO THE KNITTING

Ladies and Gentlemen,

13. From my years in MITI, those are some key principles we need to apply in facing external challenges. Participate, speak up and see beyond our borders.

14. Now, please allow me to speak a little bit on what used to be my knitting. The Civil Service.

15. The flip side of external challenges is internal solutions. In my mind, the civil service is one of the key solutions. Or, it could be the problem. We need a civil service that listens, facilitates and responds in a predictable manner – every time. An effective

and efficient civil service is important for movement of goods, financial transactions, statutory approvals, and much more.

### PREDICTABLE SERVICE

16. To be sure, we have made great strides in our civil service. We could process passports in one hour. Renew driving license online. We have UTCs and RTCs as one-stop centres for government services. Many more. However, what is important is predictability. Can we deliver on our promised service standards – anytime, every time? It is not a matter of passport renewal in 2 hours or 1 hour. Or 4 hours, even. It is about delivering as promised, every time. When someone comes to the counter, they have planned the rest of the day. They have an expectation of how long the service will take. We want the public to have full confidence that their day will proceed as planned. When I say the public, that includes the expatriates and the tourists.

17. When a foreign investor comes to Malaysia, he should not have even an ounce of doubt on the work permit application, or any other approval, proceeding as what our websites claim. And if, occasionally, a delay occurs, he should have absolute confidence in the remedial processes. That an email, or a twitter or facebook posting to an officer, even the most senior, especially the most senior, will get a reply on the same day. When he calls a department, there will be a person on the other side, not a machine. If it is the wrong person, the officer will find the right person. Not the customer. Problem will be solved with an apology for the delay. This can happen now. What we need is both simple and complex – a change in mindset. Simple, because no new infrastructure or expenses needed. Complex, because it means seeing a complaint as a gift – as an opportunity to remedy internal problems. It means seeing oneself as the potential solution rather than just a member of an organisation.

### RULES-BASED SERVICE

Ladies and Gentlemen,

18. Our marketing pitch must be, ‘We are rules based – you follow the rules, we deliver our promise.’ There are many countries where ‘there are rules, and then there are ‘other rules’. Businesses still go there. FDI still flows in. But there are leakages. From public to private pockets. Where the benefits to the nation are sub-optimal. None of that for Malaysia please. It’s the role of civil service to ensure there is no room for misunderstanding the rules. If someone complains our rules are not clear, then, we say “Thank you for highlighting. It actually means this.” And the next task is to amend the rules. Not the intent, just the wording, so it means the same to everyone. That’s ‘Kaizen’ in civil service. It means we require a civil service not so much of being heard and seen. But one that LISTENS more, HEAR more and DO more. A service that DELIVERS the beef. A service that is FELT.

Ladies and Gentlemen,

19. We are a country at the geographic heart of the global economic engine that is shifting East. We do not offer cheap labour or raw material. What we do offer is first world infrastructure. And business friendly policies. The applied translation of that is ‘a

civil service that listens, efficient, predictable and rules-based.' It is within our control. And, we can do it. We MUST DO IT. AND DO IT NOW.

I thank you for your attention.

Wabillahi taufiq walhidayah,

Wassalamualaikum warahmatullahi wabarakatuh

Copyright © 2013 — [Tan Sri Sidek Hassan](#)

Source: <http://sidekhassan.com/?p=2617>