

PM: M'sia must move up global value chain

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BY DANNY YAP

MALAYSIA must move to a higher position in the global value chain to remain competitive, says Prime Minister Datuk Seri Abdullah Ahmad Badawi.

Calling it the "New" Malaysia, Abdullah said the country was shifting from low-end manufacturing towards activities that better leveraged its strengths and natural advantages, such as agro-based industries and biotechnology.

He said the Malaysia of "here and now" could be characterised by a sense of consolidation in direction and purpose.

"It reflects a young country that is entering a new phase of development, a country that is coming into its own," he said in his keynote address at the two-day Euromoney conference which opened in Kuala Lumpur yesterday.

The theme of the conference is *Remaking Malaysia: Investing in the New Malaysia*.

Abdullah said to benefit from its bio-resources, the country would need to focus on business process outsourcing and to take advantage of its strategic regional location and educated workforce (in traditional areas of strength), and to increase the value-added of its products and services.

"We expect to see more downstream and support activities - in such areas as supply chain manage-



Datuk Seri Abdullah Ahmad Badawi in his keynote address at the two-day Euromoney conference in Kuala Lumpur

ment, research and development, product design and branding - in the long-established sectors like electrical and electronics manufacturing and palm oil," he said.

Other sectors that needed to be continually strengthened, he added, included Islamic finance, information communications technology services, tertiary education, health, tourism, transport and professional consultancy.

"This move will not only raise our level of development, but also fur-

ther diversify our economic base and reduce our vulnerability to external shocks," he noted.

Abdullah said at the heart of every sustainable growth story was the achievements of ordinary people.

"A culture of high human performance needs to be ingrained at all levels of the economy. This means measuring and rewarding performance, as well as attracting talent to key positions," he stressed.

He cited efforts by the Government to closely monitor the

performance of government-linked companies (GLCs), matched against international benchmarks to enforce performance accountability, especially for senior management.

"As GLCs make up 34% of the Malaysian stock market, monitoring the key performance indicators of GLCs is a vital step towards unlocking value and improving the market in the near term," said Abdullah.

He said a "brain gain" had also been launched to draw top talent to Malaysia, not only for GLCs, but also for other sectors like business, research and academia.

In the long term, he said, the Government was putting the private sector back into the driver's seat.

"After six years of counter cyclical pump-priming, it is high time the private sector be the prime mover of growth so the Government can play a more facilitative role," he added.

In short, Abdullah said, the remaking of Malaysia meant shifting the base of growth to high-value activities, leveraging on the country's natural advantages and strengths, and supported by a higher emphasis on human performance and productivity gains.

The Government, in turn, would move towards becoming an expert and supportive enabler of business, creating conditions and opportunities for private business to thrive, he added.