

SPEECH AT THE GLOBAL TRANSFORMATION FORUM

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MENTERI MALAYSIA

Venue : Plenary Hall, KL Convention Centre

Date : 21/10/2015

Honorable Helen Clark;

Administrator, United Nations Development Programme and Chair, United Nations Development Group,

Distinguished guests,

Ladies and gentlemen,

1. May I bid you all a warm welcome to the very first Global Transformation Forum, or GTF 2015. Hosted by the Malaysian Government, and organised by our very own Big Fast Results Institute, we are honoured to have the United Nations Development Programme as our partner for this inaugural event.
2. I am most appreciative of Helen Clark, the Administrator of the UNDP, for being here and working with us on what is certain to be a remarkable, informative and useful two days of presentations and discussions.
3. We have a world-class and world-famous array of speakers in Kuala Lumpur to share with us the benefit of their experiences.

4. They vary from a young immigrant from Europe who went on to – well, I was going to say to live the American dream, except that his life story is beyond the dreams of most of us! To Olympic medallists, former heads of state and government, distinguished experts, and creators of some of the most renowned and admired brands of today.
5. At the risk of using a word which we are going to have to try not to repeat too often over the next couple of days, I believe our time together will be truly – transformative.

Ladies and gentlemen,

6. We live today in a globalised world. The time when closed societies might ignore outside perspectives is over. We have a Malay saying about that: Seperti katak di bawah tempurung – which means that the frog who lives underneath a coconut shell, thinks that the shell is the whole world.
7. This is not only limiting. It also ignores the lessons that might be drawn from other countries, other continents. In an age that is ever-more interconnected and interdependent, that makes no sense. Malaysia, as a seafaring nation with nearly 5000 km of coastline, has always looked outwards and welcomed visitors from near and far – for centuries.
8. Our own population is a reflection of the many peoples who have settled here over the years, and we celebrate our diversity as our strength.
9. We should admit that there are challenges that come with being not a homogenous, but a multi-faith and multi-ethnic nation. We have seen many less diverse states – even in the heart of Europe – suffer serious internal strife and division over racial and religious issues. Indeed, sectarian issues and competing notions of identity are unfortunately at the heart of many of the world's troubles.

10. Here, we know the value of harmony and stability, and that constant effort is required to maintain them.

11. Occasional disagreements are to be expected; and when it comes to matters of belief, language and culture, there is the danger of swift escalation – because these are deeply personal. As Prime Minister, however, I am committed to ensuring that tensions don't get out of hand. We have a history of managing our differences peacefully. This is the Malaysia that we celebrate, and believe can be an example to others.

12. Take our attitude towards faith, for instance. Although Islam is the religion of the Federation, those of other faiths are at complete liberty to worship as they please. You will see the true face of Islam here. It is a religion of peace, moderation and justice. Of mutual respect for our fellow man.

13. You can see this in the way Malaysians visit each other and share food on a variety of festivals, including Hari Raya Aidilfitri, Chinese New Year, Christmas and Deepavali. This is why there are many places in Malaysia where you can find a mosque, a temple and a church on the same street.

14. So perhaps it is particularly appropriate that this Forum should be taking place in Kuala Lumpur, as participants from across the world gather to engage in a collective dialogue about how we can all learn from one another in addressing the key socio-economic issues facing us today and in the future.

Ladies and gentlemen,

15. The United Nations recently adopted the Sustainable Development Goals or SDGs, which set ambitious targets for more inclusive and equal growth, and an end to hunger and poverty by the year 2030. We will hear more about this from Helen Clark shortly.

16. If we achieve those targets, however, that really will be a transformation. Imagine a world in which all our women and girls are truly empowered, and can make the choices and contributions that they wish to. Isn't that what we want, for our sisters, for our daughters?

17. Imagine a world in which there is water and sanitation for all. It surely shouldn't be beyond us, for everyone to have safe and affordable drinking water.

18. Those are just two of the SDGs, and they sound, in a way, so simple and so achievable. Yet it will be very hard work to do so. And that is what this forum is all about. We may know what our goals are, and we may have thought hard about why we want to reach them. The challenge is the "how".

19. What we are here to discuss is how to "operationalise" transformation. We are here to share perspectives and insights, to hear what works – and what doesn't – and to see what we can learn from the successes of one man or woman, one corporation, or one country, and think about how they could be applied elsewhere.

Now, ladies and gentlemen,

20. On the subject of successes, please allow me to share Malaysia's story with you.

21. Over the last six years, Malaysia has been on a journey like no other. We stand today in a far better position, as far more robust and resilient, to deal with external shocks and the volatilities in a globalised economy that no one country can counter on its own.

22. When I became Prime Minister in 2009, Malaysia had already successfully moved from an agrarian-based to an industrialised economy. We had successfully attained and sustained middle income nation status.

23. We had good years of growth - but this growth was reaching a plateau. Investments were thinning. There was increased competition for global investors, and our economy was in danger of getting caught in a middle-income trap. There was a need to reignite the engines of growth.
24. Moreover, the country was faced with a fiscal deficit of 6.7 percent of GDP. We had a large national debt to manage, extensive subsidy bills and a narrow tax base.
25. This was a wake-up call for us.
26. There were tough decisions to be made. Policies up for review. And, a clear socio-economic roadmap to be developed, implemented, instituted and monitored with rigour.
27. Malaysia had to escape the middle-income trap if we were to have any hope of achieving our goal of becoming a high income status nation by 2020. We had to pursue growth, while cutting out inefficiencies – but without compromising on standards of living.
28. We needed transformation. We wanted Big Fast Results.

Ladies and gentlemen,

29. Governments are often good at coming up with plans, but not necessarily effective in implementing them.
30. With the agreement of my Cabinet colleagues, the Performance Management Delivery Unit, or PEMANDU - led by our very own turnaround expert, Dato' Sri Idris Jala - was established in September 2009 to coordinate implementation and drive progress.

31. Dato' Sri Idris is also, by the way, deputy chair of a new consultative committee on political funding that I asked to be set up to ensure that a regulatory framework is put in place to safeguard the integrity of our democratic process. Political funding is currently not regulated in Malaysia.
32. In fact, we first proposed detailed reforms in this area in 2010. Unfortunately at that time the opposition resisted the idea. But we are now revisiting the subject under the leadership of Dato' Sri Idris and committee head Datuk Paul Low, a minister in the Prime Minister's department who was previously head of Transparency International Malaysia. The committee's recommendations will go to Parliament for transparent cross-party debate.
33. The National Transformation Programmes or NTP for Malaysia began in 2010. They consisted of the Government Transformation Programme, or GTP, and the Economic Transformation Programme, or ETP.
34. Detailed implementation roadmaps, and Key Performance Indicators for the Government and the public sector, were instituted to provide transparency and accountability.
35. We decided that the Government and the private sector should work hand-in-hand to reenergise the economy, in a way that was unprecedented in Malaysia.
36. Through the National Transformation Programme, or NTP, we focused on 7 National Key Result Areas, and 12 National Key Economic Areas. Those were our clear priorities. We introduced six Strategic Reform Initiatives to create better conditions for businesses to flourish.
37. Now, we all know that the global economy is facing some fierce headwinds. The decline in oil and commodity prices, the inevitable rise in US interest rates and the devaluation of the Chinese Yuan are all tough for an outward-facing trading nation such as Malaysia.

38. This environment could be with us for a few years. As such, we must re-strategise to keep our objectives and ambitions intact and maintain our long-term vision for Malaysia. We are doing so, and I will outline some of the measures we intend to take in our annual Budget this Friday.
39. But we should not lose sight of what we have achieved in our transformation over the last six years. It has been nothing short of phenomenal. We have seen sustained economic growth year on year. We have more than doubled investments in the last four years, compared to the preceding four, and investments have reached record levels.
40. More than 1.8 million new jobs have been created.
41. Gross National Income has grown by a massive 47.7 percent since 2009.
42. The fiscal deficit fell to 3.4 percent in 2014, compared to 6.7 percent in 2009, when we first began our national transformation. And with this number reducing each year since 2010, as per our targets, we are confident of reaching a balanced budget – or as close to that as possible - by 2020.
43. To do this, some hard decisions had to be made. Over the last year, for instance, we undertook two very tough measures. The first was to remove fuel subsidies, to promote competitiveness; and the second was to introduce a Goods and Services Tax, which has increased our tax base significantly.
44. Not everyone was happy with these moves. But the measures were necessary for us to continue our transformation.
45. The NTP has also helped us make significant strides in addressing rural development, urban public transportation and assisting low income households; in bringing down crime,

improving infrastructure and connectivity, encouraging participation in social and welfare programmes, and fostering entrepreneurship.

46. These are right at the heart of our transformation, because it must be sustainable and inclusive. We want all to share in it, regardless of age, location, faith or ethnicity, because it is a transformation for all Malaysians.

47. Now, it would be remiss of me not to acknowledge that one of our state-owned strategic development companies, 1MDB, has faced a very challenging period recently. However, we are taking concrete measures to address this.

48. 1MDB is in the midst of implementing a rationalisation plan which, if allowed to continue unimpeded, will allow the company to pay off its outstanding debt and resolve the cash-flow issues it is currently facing.

49. In terms of claims of wrong-doing, there are a number of independent investigations, which I myself ordered.

50. Rather than conduct a trial by media, we must wait for the outcome of these investigations, and if any evidence of wrongdoing is found, I can assure you that the strictest action will be taken against those responsible.

Ladies and gentlemen,

51. In operationalising transformation at the state level, it is true that bureaucratic challenges are inevitable. But we must remove roadblocks at the highest level of administration for ease of implementation.

52. There is a phrase we use to ensure continuous delivery – it is called “discipline of action”. What it means is that we follow through on what we promise to do. Everyone has a Key Performance Indicator to deliver on, even Ministers - who are appraised every six months on their deliverables.
53. We don't veer away from the action plan. We maintain our focus, and solve problems when they arise.
54. And Malaysia is not alone in experiencing transformational progress. Working with the Tanzanian Government, the BFR Institute introduced the same methodology in Tanzania.
55. Their Big Results Now programme yielded tremendous results. You will hear more about this when the CEO of Tanzania's Presidential Delivery Bureau, Mr Omari Issa, takes the stage.
56. The team is also in discussions with several other countries on how they can adopt our transformation methodology.
57. We have received many accolades for the work we do. Just last year, Bloomberg and Nesta UK – the National Endowment for Science, Technology and the Arts - named PEMANDU as one of the top 20 government innovation teams in the world.
58. PEMANDU's CEO and BFR-I's Managing Director, Dato' Sri Idris Jala, made it onto Bloomberg's list of the top 50 policy-makers. Respected institutions such as Harvard and Princeton, as well as the World Bank, have done extensive case studies on PEMANDU's work.
59. And this recognition is reflected at the national level. The World Economic Forum recently named Malaysia the 18th most competitive country in the world – the highest placing of any developing economy in Asia, and above Australia, South Korea and France.

60. The World Economic Forum has also ranked Malaysia as having the 8th most efficient government in the world – ahead of Switzerland. There are many to thank for that, but the efforts of PEMANDU and the dedicated members of our admirable civil service, led by the Chief Secretary to the Government, Tan Sri Dr Ali Hamsa, have certainly contributed to receiving that accolade. I am sure all of you know how much we appreciate your work.

Ladies and gentlemen,

61. We have in our midst a star-studded speaker line-up from governments, corporations, academia and international bodies, as well as successful personalities whose own stories have all been marked by transformative endeavours. I am sure that their accounts of courage and determination will inspire everyone present.

62. I thank each and every one of you for making time to come to this part of the world, and I truly hope that you enjoy your stay in Malaysia.

63. GTF 2015 would not have been possible without you, as well, of course, as our partners, sponsors and all who are attending.

64. Please enjoy the forum.

Thank you.

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