

**SPEECH BY
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE LAUNCH OF MALAYSIA 1000 BUSINESS DIRECTORY
AT PALACE OF THE GOLDEN HORSES
9 JUNE 2003**

1. Saya ingin mengucapkan terima kasih kepada pihak Suruhanjaya Syarikat Malaysia dan Business and Search Information Services Sdn Bhd atau BASIS kerana sudi menjemput saya untuk melancarkan buku direktori "Malaysia 1000" pada malam ini. Saya mengalu-alukan penerbitan buku direktori ini. Ilmu pengetahuan dan maklumat terkini membolehkan seseorang ahli perniagaan membuat keputusan yang bijak, yang dapat meningkatkan prestasi dan daya saing syarikat, serta memperbaiki kualiti produk dan perkhidmatan yang ditawarkan. Keputusan-keputusan sebegini, sekiranya dilakukan di setiap syarikat dan di setiap sektor ekonomi, akan dapat meningkatkan pembangunan negara dan mengasah lagi daya saing ekonomi kita.

Ladies and gentlemen

2. The publication of the "Malaysia 1000" directory should be commended. This is consistent with similar efforts internationally and in the region, such as the Philippines top 5000, Taiwan top 500 and Singapore 1000. Tonight's launch is timely and is in line with the government's effort to continuously improve business transparency and information availability in the country. Certainly, the directory will contribute towards enhancing professionalism in our business environment, and will assist in our overall efforts to transform Malaysia into a knowledge-based economy.

3. Nowhere is the necessity for timely and high-quality information more compelling than in the business world. Companies which have the right information will be able to attain and maintain market leadership by adapting their business strategy to the changing market environment. On the other hand, companies which do not possess the necessary information will always have to play "catch-up" and will eventually fall far behind the competition.

4. Knowing exactly what information we have, compiling it, and making it transparent are steps in the right direction. In Malaysia, although information about companies does exist, it may not be that readily available. Often, elementary market research may take twice as long, given the time needed to search for and to validate basic information. This inefficiency results in higher costs of doing business in Malaysia, and hinders corporate investment and business partnership decisions. A publication like "Malaysia 1000" will reduce information search time somewhat, and therefore make business investment and capital market decisions more rapid and efficient. I am told that this directory is both user- friendly and fairly broad. The next step then for the companies commission and basis to take is to find ways to add value to the information provided, perhaps by supplying current or even real time analyses and corporate insights to help our private sector perform better.

Ladies and gentlemen

5. In my view, the "Malaysia 1000" directory serves 3 main objectives: it provides greater transparency for performance accountability, facilitates business-to-business

activities and investment through more readily available company information, and encourages business dynamism and innovation through the directory's evaluation and ranking.

6. Firstly, I wish to touch upon the need for greater transparency in performance accountability in Malaysia. The recent swath of high profile corporate scandals such as global crossing, Enron and WorldCom has eroded trust in the conduct of companies in the U.S., and should serve as a valuable lesson for us at home. Although we have not seen major corporate failures here, there have been instances of poor corporate governance among some of our corporations, both large and small. In addition, there is a lack of performance accountability in corporate Malaysia, as it has become an acceptable practice for many of our corporate managers to apportion blame for their non-performance on external factors.

7. We need to focus on nurturing a culture of excellence in our corporations, and on improving performance accountability. This requires professional managers to constantly strive to maximise shareholder value and to be fully accountable for their performance. As I announced in March, the government will enhance the use of key performance indicators in government-linked corporations, thereby aligning compensation to performance in those companies. The government strongly encourages the private sector to follow suit, and by working together with the public sector, to assist in developing a high performing corporate environment in the country. I hope the publication of "Malaysia 1000" will help to act as a strong mechanism for companies to step up their performance. This could be done as the directory will allow investment analysts, shareholders and the public-at-large to systematically compare companies along certain key performance indicators.

8. Secondly, I want to emphasise the need for greater business partnership in Malaysia. In an increasingly globalised world, companies need to deliver superior value to their customers. To achieve this, a company must focus on its core competencies rather than to diversify indiscriminately. It must also become better and better at what it is offering to customers. Despite the fact that competition in the marketplace is fiercer than ever, a company must also learn to depend on the expertise of others to succeed in business. Hence, you will continue to see more and more strategic alliances and business partnerships being formed each day. In addition, in order for some of you to venture outside Malaysia, you may need to compensate for your geographic disadvantage or lack of scale by partnering with a global/regional player. I therefore hope that the "Malaysia 1000" directory will serve its objective by providing the required information for businesses to make appropriate partnership and investment decisions.

9. Thirdly, Malaysian businesses need to be more dynamic and innovative, as well as to remain focussed and to never allow complacency to seep in. If you look at the Kuala Lumpur Stock Exchange Composite Index, you may notice that its constituent companies have not changed significantly over the years. Perhaps you think that this is quite normal; that large companies will always remain large and profitable. Nothing is further from the truth. There is no permanence to such rankings. If you compare the original Forbes 100 list of companies in 1917 to its 1987 list, sixty-one of the original group of hundred had ceased to exist altogether, and only eighteen of the remaining thirty-nine had managed to stay in the top one hundred. Similarly, of the five hundred companies originally making up the S&P 500 in 1957, only seventy-four had remained on the list through 1997. Indeed, many new companies have emerged and continue to emerge, and some have even grown to be the largest in

the world, such as Microsoft, Yahoo, E- Bay and Amazon-Dot-Com. These so-called new economy companies are mostly service-oriented with high intellectual capital, and they out-perform many of the traditional brick-and-mortar companies. As such, while the "Malaysia 1000" directory should be a source of pride to the owners and promoters of the companies listed, it should also spur and remind the companies to always innovate and to seek out excellence.

Ladies and gentlemen

10. The forces of globalisation, deregulation and technology will continue to exert increasing pressure on our corporations. That being the case, what should Malaysian companies aspire to?. What should you do to sustain strong long-term performance for your shareholders?. The answer probably lies in your ability to manage, to innovate and to leverage your business intangibles, such as your brand name and your intellectual capital. I believe corporate Malaysia should no longer be content with normal incremental growth. You should have the courage to set ambitious growth targets and to stretch your potential to achieve those targets. Any breakthrough in management and in innovation will push your valuations to the next level, and I would strongly encourage every business and every entrepreneur to make that big leap in performance. I am certain the directory we are launching tonight will do a good job in keeping track of our corporations' accomplishments, even as Malaysian companies seek to join the bigger leagues the world over.

11. On that note, it is my privilege to launch the "Malaysia 1000" business directory.

Thank you.