

**SPEECH BY
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Congratulations to the organisers of venture 2002 on the success of this competition. The continuing strong response to this initiative is a clear indication that the entrepreneurial spirit is still very much alive in Malaysia despite the challenges posed by the present global economic environment. It is critical that this spirit is guided and nurtured, so that real businesses can emerge and thrive. In this respect, the objective of this competition, which is not just to reward good ideas but to help create real start-up companies, is a valuable contribution.

2. It is my understanding that more than 80% of the business plans submitted in conjunction with venture 2002 were in the area of information and communication technology. This is encouraging, given the government has identified this sector as one of the key drivers of the Malaysian economy going forward.

3. However, I hope that start-ups will not just be confined to concentrating on ICT. There is a need to strengthen entrepreneurial growth across the board in a wide range of business activities. A high level of entrepreneurial activity is needed to sharpen Malaysia's competitive edge and to secure our long-term economic well-being. In order for this to happen, I believe that a concentrated effort by all parties must be sustained.

4. On its part, the government is committed to providing a conducive environment to stimulate the development of ideas with strong business potential. For instance, technopreneur development has been made the newest flagship under the multimedia super corridor initiative and is aimed at developing entrepreneurial ability. MESDAQ has been brought under the umbrella of the KLSE group to provide a more efficient and effective exit mechanism for investors. In terms of funding, approximately rm2.4 billion has been allocated for venture capital and project financing. The government will continue to adopt policies and introduce measures in this vein.

Ladies and gentlemen

5. I have been frequently informed that a stumbling block to entrepreneurial development, particularly when new technologies are involved, is the lack of financing. This is surprising, given the resources committed by the government and the liquidity that is available in the financial system. In light that venture 2002 is an event that brings together budding entrepreneurs and venture capitalists, it is an opportune moment to examine the causes of this systemic weakness.

6. In my view, there is a mismatch of expectations. On the one hand, entrepreneurs either bring ideas to the table that are inadequate or are not clearly conceptualised and articulated.

7. To address this shortcoming, more needs to be done to strengthen Malaysia's innovative capacity. Universities, research institutions and technology companies

must step up efforts to continuously develop talent and act as idea factories. Links between these institutions and the people with the funding should be established, fostered and strengthened. In time, I am confident that from the mass of innovations and inventions - this "ideas bank" - enough viable breakthrough ideas with strong business potential will emerge.

8. At the same time, it is also imperative that individuals who are keen on turning their dreams into reality develop the appropriate business building skills to do so. This includes preparing a business plan that is cogent and practical - one that systematically charts the evolution of an enterprise from inception to production to marketing and sales. It should be realised that not every idea is a good one and not every plan deserves to be financed. However, proper packaging and promotion of an idea will play an important part in convincing a financier on whether to invest.

9. On the other hand, I call on venture capitalists to increase their risk appetite towards new start-ups and businesses that in the early stages of development. Perhaps it would be productive to lower expectations - not every company will deliver 300% returns. Not every young company will grow to become a multinational giant. In fact, recent events have proven that many technology companies were encumbered with overvalued stock prices and unrealistic profit forecasts. It would be beneficial to the bottom line and more importantly to the country, if attention were paid to entrepreneurs who offer more modest, but achievable earnings.

Ladies and gentlemen

10. Before I conclude, I would like to congratulate all the winners of the venture 2002 business plan competition. I have been informed that some of this year's winners are already in the process of finalising funding arrangements. Of course, this is just the beginning of your journey. It is now time to convert what you have so effectively put on paper into real businesses. I wish you much success in your future endeavours. To those who have not won, take this as a learning experience to further improve your ideas and plans.

11. On a separate note, I am happy that Malays have achieved success in this competition. It is gratifying to see them prosper in open competition, not because they are Bumiputeras but due the quality of their work. It is a vindication of the government's policies to provide quality education and training opportunities for Bumiputeras. I have long advocated for Malays to run without crutches. The results of venture 2002 clearly illustrates that Malays can be competitive when they put their minds to the task and apply themselves. I hope that this will act as a beacon to those who doubt that Malays cannot succeed without subsidy and assistance.

Thank you.