

**SPEECH BY
YAB DATO' SERI ABDULLAH BIN HAJI AHMAD BADAWI
AT THE LAUNCH OF THE WEST WING OF THE DHL IT SERVICES
CENTRE AT CYBERJAYA
2 JUNE 2006**

ASSALAMUALAIKUM WARAHMATULLAHI WABARAKATUH AND GOOD AFTERNOON

TAN SRI ABDUL HALIM ALI
CHAIRMAN OF THE BOARD OF DIRECTORS OF M-DEC

MR. NARIMAN KARIMI
SENIOR VICE PRESIDENT AND CHIEF INFORMATION OFFICER FOR D.H.L. EXPRESS,
ASIA PACIFIC

MR. STEPHEN MCGUCKIN
MANAGING DIRECTOR, D.H.L. I.T. SERVICES

MR. LEE CHUAN YEW
DIRECTOR OF D.H.L. I.T. SERVICES CENTER CYBERJAYA

LADIES AND GENTLEMEN

1. IT GIVES ME GREAT PLEASURE TO BE HERE THIS AFTERNOON ON THE OCCASION OF THE LAUNCH OF D.H.L.'S I.T. SERVICES CENTRE HERE IN CYBERJAYA—THE HEART OF 'M.S.C. MALAYSIA'. ALLOW ME TO BEGIN BY CONGRATULATING D.H.L. AND ITS PARENT COMPANY 'DEUTSCHE POST WORLD NET' (D.P.W.N.) ON THE EXPANSION OF ITS "I.T. SERVICES CENTRE CYBERJAYA" FACILITY. THE EXPANSION OF D.H.L.—I AM PLEASED TO SAY, AN EARLY BELIEVER, SUPPORTER AND INVESTOR IN M.S.C. MALAYSIA—MARKS AN IMPORTANT MILESTONE IN THE HISTORY OF BOTH D.H.L. AND 'M.S.C. MALAYSIA'. INDEED, D.H.L.'S EXPANSION HERE IN CYBERJAYA BEARS TESTIMONY TO THE CONTINUING CONFIDENCE THAT MULTINATIONALS LIKE D.H.L. HAVE IN MALAYSIA'S I.C.T. VISION, CAPABILITIES AND FUTURE PROSPECTS.

LADIES AND GENTLEMEN,

2. AS HIGHLIGHTED IN THE 9TH MALAYSIA PLAN, I.C.T. REMAINS A KEY DRIVER AND DETERMINANT IN THE DEVELOPMENT PROCESS TO MOVE MALAYSIA'S ECONOMY UP THE VALUE CHAIN AND SPEAR-HEAD THE NATION INTO THE KNOWLEDGE-ECONOMY. IN THIS CASE, M.S.C. MALAYSIA IS OF COURSE A LARGE AND CRITICAL ELEMENT OF THOSE PLANS FOR I.C.T. DEVELOPMENT IN THE COUNTRY.

3. SINCE ITS INCEPTION A DECADE AGO, THE MULTIMEDIA SUPER CORRIDOR —OR "M.S.C. MALAYSIA" AS IT IS NOW KNOWN— HAS GROWN BY LEAPS AND BOUNDS. 'M.S.C. MALAYSIA' WAS CONCEIVED AS A PLATFORM ON WHICH TO BUILD A

COMPETITIVE CLUSTER OF LOCAL AND GLOBAL I.C.T. COMPANIES AS WELL AS A SUSTAINABLE I.C.T. INDUSTRY TO LEAP-FROG THE NATION INTO THE KNOWLEDGE-ECONOMY. SINCE THEN, M.S.C. MALAYSIA HAS ACHIEVED MANY OF ITS GOALS. THIS INCLUDES THE DEVELOPMENT OF WORLD-CLASS INFRASTRUCTURE, A STRONG I.C.T. POLICY ENVIRONMENT AND LEGAL FRAMEWORK, AS WELL AS A LARGE AND GROWING NUMBER OF LOCAL AND GLOBAL M.S.C.-STATUS COMPANIES. WE ARE NOW IN THE SECOND PHASE OF THE 'M.S.C. MALAYSIA', AND ARE MOVING FULL STEAM AHEAD TO ROLL-OUT THE M.S.C. TO OTHER PARTS OF THE COUNTRY.

4. MALAYSIA WILL THEREFORE CONTINUE TO EXPAND "M.S.C. MALAYSIA" THROUGH THE CREATION OF CYBERCITIES AND CYBERCENTRES, INVEST IN WORLD-CLASS INFRASTRUCTURE WITHIN THE M.S.C. AREA AND FURTHER DEVELOP MALAYSIA'S I.C.T. INDUSTRY. MALAYSIA WILL ALSO CONTINUE TO BE RESPONSIVE TO THE NEEDS OF MULTINATIONAL CORPORATIONS BY PROVIDING SUPPORTIVE POLICIES, A CONDUCIVE ENVIRONMENT AND CUSTOMISED INCENTIVES SO THAT THEY MAY CONTINUE TO FIND MALAYSIA AN ATTRACTIVE DESTINATION IN WHICH TO BASE THEIR OPERATIONS.

5. WE CONTINUE TO TAKE ACTIVE STEPS TO ENHANCE MALAYSIA'S POSITION AS A GLOBAL I.C.T. AND MULTIMEDIA HUB. WE AIM TO ACHIEVE THIS BY FURTHER DEVELOPING MALAYSIA'S NICHE AREAS, INCLUDING SHARED SERVICES AND OUTSOURCING (S.S.O.), DIGITAL CREATIVE CONTENT DEVELOPMENT, BIOINFORMATICS, AS WELL AS MOVING INTO HIGHER-VALUE PRODUCTS AND SERVICES AND R&D ACTIVITIES.

LADIES AND GENTLEMEN,

6. THE SHARED SERVICES AND OUTSOURCING INDUSTRY IN MALAYSIA IS CONTINUING TO EXPERIENCE RAPID GROWTH. CURRENTLY, THERE ARE 76 WORLD-CLASS S.S.O. COMPANIES IN MALAYSIA PROVIDING JOBS FOR ALMOST 20,000 EMPLOYEES. GOING FORWARD, WE HOPE TO LEVERAGE ON THE FURTHER GROWTH OF THE ASIAN MARKET AND DEVELOP THE S.S.O. CLUSTER TO ACCOMMODATE 100,000 EMPLOYEES IN THE FUTURE.

7. I AM PLEASED TO SAY THAT MALAYSIA IS ALREADY INTERNATIONALLY RECOGNISED AS A GLOBAL LEADER IN THE S.S.O. INDUSTRY LANDSCAPE AND HAS CONSISTENTLY BEEN RANKED AS THE THIRD MOST ATTRACTIVE DESTINATION FOR S.S.O. ACTIVITIES, BEHIND ONLY INDIA AND CHINA. BROADLY SPEAKING, THIS IS DUE TO OUR STRENGTHS IN TERMS OF OVERALL COST COMPETITIVENESS, HIGH-QUALITY INFRASTRUCTURE, AND PRESENCE OF A HIGHLY-SKILLED AND MULTILINGUAL WORKFORCE.

8. BUILDING ON THESE BASIC STRENGTHS, AND IN ORDER TO ENHANCE OUR COMPETITIVENESS IN THE GLOBAL S.S.O. LANDSCAPE, MALAYSIA AIMS TO DISTINGUISH ITSELF BY POSITIONING THE COUNTRY AS THE PREMIER DESTINATION FOR HIGH-VALUE OUTSOURCING ACTIVITIES. A RECENT STUDY BY

'FROST AND SULLIVAN' SUPPORTED THIS STRATEGY AND WENT ON TO DEMONSTRATE MALAYSIA'S STRONG EXPERTISE IN INDUSTRIES SUCH AS ENERGY, TECHNOLOGY, FINANCE, MANUFACTURING AND LOGISTICS. UNDOUBTEDLY, MALAYSIA'S LONG EXPERIENCE AS A BASE FOR MULTINATIONALS ENGAGED IN THESE PARTICULAR INDUSTRIES HAS GIVEN US THE EDGE OVER OTHER COUNTRIES WHICH, DUE TO THEIR LIMITED EXPERIENCE IN THESE INDUSTRIES, CAN ONLY OFFER GENERIC, LOW-VALUE OUTSOURCING SERVICES.

9. INDEED, THE FROST AND SULLIVAN REPORT THAT I MENTIONED EARLIER REPORTED THAT THE LOGISTICS INDUSTRY IN MALAYSIA WAS RANKED AS THE FOURTH HUB OF CHOICE IN AN INTERNATIONAL POLL THAT IT CONDUCTED. I BELIEVE IT IS THIS EXISTING STRENGTH IN THE LOGISTICS INDUSTRY COUPLED WITH HIGH-QUALITY HUMAN RESOURCES, COMPETITIVE COST AND A WORLD-CLASS ENVIRONMENT THAT HAS CONVINCED D.H.L. TO EXPAND ITS INVESTMENT IN MALAYSIA. THEREFORE, I WOULD LIKE TO TAKE THIS OPPORTUNITY TO ENCOURAGE OTHER MULTINATIONALS ENGAGED IN INDUSTRIES SUCH AS LOGISTICS, ENERGY, TECHNOLOGY, FINANCE, AND MANUFACTURING TO FAVOURABLY CONSIDER MALAYSIA AS A BASE FOR THEIR OUTSOURCING ACTIVITIES.

10. I WOULD ALSO ENCOURAGE MULTINATIONALS TO CONSIDER USING MALAYSIA AS A BASE FOR THEIR REGIONAL OPERATIONS, AS PER THE EXAMPLE OF D.H.L.. THIS IS BECAUSE MALAYSIA'S HIGHLY-SKILLED AND MULTI-ETHNIC WORKFORCE HAS BEEN PROVEN TO HAVE THE CAPABILITY TO MANAGE DIVERSE PERSONNEL AND MULTICULTURAL TEAMS FOR GLOBAL OR REGIONAL PROJECT MANAGEMENT. I AM SURE THAT WITH ALMOST 70 PER CENT OF ITS STAFF IN CYBERJAYA BEING MADE UP OF MALAYSIANS, D.H.L. CAN BEAR TESTIMONY TO THIS FACT.

LADIES AND GENTLEMEN,

11. D.H.L. IS ONE OF THE PREMIER NAMES IN THE LOGISTICS INDUSTRY, PARTICULARLY IN THE MAIL AND PARCEL DELIVERY SEGMENT. UNDER THE D.H.L. BRAND NAME, THE COMPANY IS AT HOME IN 220 COUNTRIES AND TERRITORIES THROUGHOUT THE WORLD. D.H.L. DELIVERS TO MANY MILLIONS OF CUSTOMERS PER DAY VIA AN INTERNATIONAL NETWORK WITH OVER 6,000 BRANCHES. I UNDERSTAND THAT D.H.L.'S THREE I.T. SERVICE CENTERS IN SCOTTSDALE (USA), PRAGUE (CZECH REPUBLIC) AND CYBERJAYA PROCESS 1.3 BILLION WORLDWIDE ELECTRONIC BUSINESS TRANSACTIONS ANNUALLY. THEREFORE, AN EFFICIENT AND EFFECTIVE COORDINATION AND MONITORING SYSTEM IS CRUCIAL TO D.H.L..

12. THE 'D.H.L. I.T. SERVICES CENTRE CYBERJAYA', BEING A KEY FACILITY IN THE GLOBAL CO-ORDINATION OF INFORMATION TECHNOLOGY INITIATIVES THROUGHOUT THE D.H.L. NETWORK, IS ENGAGED IN HIGH-VALUE ACTIVITIES THAT ARE CRITICAL TO THE RUNNING OF D.H.L.'S GLOBAL OPERATIONS. INDEED, AS ONE OF THE 3 I.T. SERVICES "NERVE-CENTRES" OF D.H.L. AROUND THE WORLD, THE SOFTWARE AND APPLICATIONS TO RUN AND COORDINATE THE GLOBAL D.H.L. NETWORK ARE RESEARCHED, PRODUCED AND APPLIED FROM THIS CENTRE IN CYBERJAYA.

13. MORE SPECIFICALLY, I UNDERSTAND THAT THE CENTRE IN CYBERJAYA IS FOCUSED ON BUILDING HIGH-LEVEL SOFTWARE DEVELOPMENT SKILLS, PARTICULARLY IN THE FIELD OF LIFE SCIENCES AND KNOWLEDGE APPLICATIONS. THIS IS PRECISELY THE KIND OF HIGH-LEVEL, KNOWLEDGE-BASED ACTIVITY THAT WE WOULD LIKE TO SEE MORE MULTINATIONALS IN MALAYSIA ENGAGE IN, WHICH WE BELIEVE MALAYSIA HAS THE NECESSARY TALENT AND RESOURCES TO SUPPORT. ADDITIONALLY, THIS IS ONE WAY TO ENSURE THAT THE SKILL-LEVEL OF MALAYSIAN KNOWLEDGE WORKERS ARE CONSTANTLY UPGRADED THROUGH TECHNOLOGY AND KNOW-HOW TRANSFER, IN LINE WITH THE NINTH MALAYSIA PLAN.

LADIES AND GENTLEMEN,

14. IN ENDING, I WOULD ONCE AGAIN LIKE TO THANK D.H.L. AND ITS PARENT COMPANY 'DEUTSCHE POST WORLD NET' FOR CHOOSING TO EXPAND ITS FACILITY HERE IN M.S.C. MALAYSIA. I THANK YOU FOR YOUR CONFIDENCE IN MALAYSIA AND THE M.S.C. VISION. I KNOW THAT I SPEAK FOR EVERYONE HERE WHEN I WISH "D.H.L. I.T. SERVICES CENTRE, CYBERJAYA" EVERY SUCCESS IN ALL ITS FUTURE ENDEAVORS.

15. ON BEHALF OF THE GOVERNMENT OF MALAYSIA AND "M.S.C. MALAYSIA", WE LOOK FORWARD TO CONTINUING THE CURRENT SUCCESSFUL AND FRUITFUL PARTNERSHIP BETWEEN MALAYSIA AND D.H.L., AS WE JOURNEY TOGETHER TO GREATER SUCCESS AND ACHIEVING MUTUALLY BENEFICIAL GOALS. ONCE AGAIN, CONGRATULATIONS!

16. ON THAT NOTE, IT GIVES ME GREAT PLEASURE TO LAUNCH THE WEST WING OF THE 'D.H.L. I.T. SERVICES CENTRE CYBERJAYA'.

THANK YOU.