

**THE OPENING CEREMONY OF THE GERMAN-MALAYSIAN INSTITUTE**  
TAMAN SHAMELIN PERKASA, CHERAS, 31 MAY 1994

Terlebih dahulu saya mengucapkan terima kasih kepada pihak German-Malaysian Institute (GMI) kerana menjemput saya untuk merasmikan pembukaan GMI pada hari ini. Saya gembira bahawa GMI, hasil kerjasama dua hala di antara Malaysia dan Jerman, akan memainkan peranan penting dalam pembangunan tenaga mahir di peringkat tinggi di masa akan datang.

2. Allow me to extend a warm welcome to the Honourable Carl-Dieter Spranger, Minister of Economic Cooperation of the Federal Republic of Germany and his delegation to Malaysia. I am glad that he is with us to witness the official launch of the GMI.

3. The opening of the GMI is of great significance to Malaysia. Firstly, the opening of the GMI represents another milestone in our continuing effort to invest in human capital formation in order to realise higher levels of economic growth and human development. Secondly, it is yet another example of how international cooperation, if well intended and conceived, can be of mutual benefit to all parties.

4. The GMI, as its name suggests, is born out of bilateral cooperation. It has taken cognisance of and has tried to bridge the Malaysian Government's concern for training avenues for potential Malaysian craftsmen with Germany's well-known comparative advantage in precision and production technology, vocational training, and specialised instructors. The GMI is also a hybrid between factory and school -- a teaching factory so to speak. It seeks to combine theory and practice in one so that its trainees are assured of entering the world of work without the fear of job mismatch.

5. The GMI will be one of the main providers of highly skilled technicians. Although when fully operational in 1998, GMI's total capacity is expected to be only 450, nevertheless the role of the GMI in creating and augmenting the supply of trained manpower at the advanced level cannot be understated. What is desired is that with the highest standards of teaching provided, coupled with state-of-the-art equipment, the GMI will be able to contribute towards improving the quality of our workforce.

6. The quality of the workforce is essentially the decisive element in a country's road to economic success and prosperity. Improving the quality of the workforce is, in a nutshell, what human resource development (HRD) is all about.

7. The Malaysian Government places strong emphasis on human resource development because of our belief that the population represents our ultimate resource. Under the Sixth Malaysia Plan, about 13 percent of the Federal Government development budget has been allocated for education and training. This is a relatively high proportion of development expenditure, and compares very favourably by all international standards.

8. The education and training of the country's workforce involves many role players. In addition to the Government, other key actors include employers, workers, schools, training institutions, unions and even parents. Skill development is, however, very often perceived as the domain and responsibility of the Government.

9. Workers too must realise their own HRD responsibilities. If our workers are to adapt to the new work environment, they must begin to play their part in materialising that training culture. Workers must constantly improve their skills and develop new skills, thereby preparing for the changes that technology will bring to the shop floor. It is through simply higher productivity growth that workers will be able to improve their real incomes. Workers should seek to improve their standard of living not through simply demanding higher wages but through improving their productivity. Productivity comes not only through the use of more capital, better work organisation, and proper work attitudes but more importantly by workers and their employers investing in skill development.

10. Even as developing countries such as Malaysia continue to emphasise the importance of cost competitiveness and the need to promote productivity through hard work and sacrifices, there are attempts by some to link trade with international labour standards. If these attempts succeed, income for a few may go up, but most are likely to be unemployed. The disparity between the rich and the poor will be enhanced.

11. An integral part of competence is social competency, and this has to be emphasised because it touches on our core value system. The development of the values and attitudes of the country's manpower must become a necessary component of all training programmes.

12. Looking a little into the future, I see a lot of opportunities for the GMI. Although the current mandate of GMI is to produce highly skilled technicians for industry, training institutions like the GMI should consider creating linkages with institutions of higher technical education offering degree-level education with a view to providing avenues for their graduates to enhance their education and skills. Such linkages will also strengthen the practical and

industrial exposure of the engineers who graduate from these institutions, in view of the combination of practical training at GMI and further academic education at the University level.

13. It was recently found in many developed industrialised countries that nearly half of the skill of technical workers become obsolete within three to seven years of formal education and training. This phenomenon, which is largely due to the rapidity of technological change, has resulted in rapidly changing job content. It is for this reason, among others, that skill delivery institutions must institute greater collaboration with industry in order to keep pace with technological advances in industry and their corresponding manpower needs.

14. It is heartening to see among the audience, parents of GMI students. I am sure that your presence here is testimony to your acceptance of vocational and skill training as an excellent option for career development and advancement of your children. The standards required for skilled training are also getting higher with advances in technology. This means that those who are accepted into vocational and technical training institutes must also be academically good. Skill training is no longer meant for the school dropout. We must change our bias against blue-collar jobs and vocational training if we are to successfully walk the next mile.

15. The setting up of the GMI comes at a very fortuitous period of Malaysia's economic history. The economy is currently experiencing high growth and its prospects remain good. Jobs are plentiful and the growth of industrial jobs has been even better. I sincerely hope that the setting up of the GMI as well as the implementation of various other efforts to improve our human resources will bear fruit.

16. Dengan kata-kata ini saya dengan sukacitanya merasmikan pembukaan the German-Malaysian Institute.