

SPEECH BY: DATO' SERI DR. MAHATHIR BIN MOHAMAD
(PRIME MINISTER)

EVENT: THE INCEPTION MEETING OF THE INDUSTRIALISTS STEERING GROUP
(ISG) AND THE LAUNCH OF CPSP AND MIGHT

VENUE: PRIME MINISTER OFFICE

DATE: 22 FEB 1993

TIME:

It is indeed a pleasure for me to be with two private-public sector groups this morning, that is the Malaysian Industry-Government Group for High Technology (MIGHT) and the CCGTM-Private Sector Partnership (CPSP). I am a firm believer in the need for an effective partnership between government and the private sector for effective management of development and growth. Malaysia's success can be attributed, in part at least, to the strong public-private sector relationship.

2. In the current trend towards globalisation of business, a strong public-private sector partnership is not only necessary but also critical. Globalisation is not just about doing business world-wide; it is about decentralisation, about greater autonomy in the off-shore units, about backward and forward linkages between the different processes and business activities and about re-investment in countries where the globalised companies operate.

3. Globalisation is about integration of business for greater efficiency and profitability in tandem with the planned growth of the national economy. In other words, globalisation requires making available technological resources in a coordinated fashion for the mutual benefit of businesses operating in a number of host countries.

4. Companies aiming to globalise have as their strategy the formation of business alliances in order to maximise the use of assets, to share costs and risks and to establishing presence in main markets, thus extracting all possible comparative advantages.

5. Globalisation is not without side effects, some of which are good and some bad. For one, the relationship within the globalised firms become a complex mixture of competition and cooperation. Also there may develop relationships of interdependence among developing and developed national economies and the blooming of relationships between business establishments and nation states.

6. It is through the nurturing partnership between the

public and the private sectors at national level (such as MIGHT) and international level (such as CPSP) and the cooperation between them that process in globalisation can be fully exploited. These partnerships however can only be effective, in this context, if they operate as cooperative networks innovatively, allowing for flexibility, adaptability and mutual trust.

7. Malaysia's Vision 2020, of which I am sure you must have heard with its objective of making Malaysia a fully developed nation by the year 2020, can only be achieved if industry plays its part fully in a government-industry partnership. While the government can provide the appropriate environment for growth and perhaps set the general direction for business activities, it is the industry which must ensure that growth takes place. Industry has a major role to play as the engine of growth.

8. It is on this premise that we have vigorously promoted the Malaysia Inc. concept and initiated programmes to put the concept to work. In this context we have established the Malaysian Business Council (MBC) to allow for a process of creative consultation and meaningful dialogue among policy-makers, civil servants, corporate leaders and politicians. MBC addresses current and emerging domestic and international issues impinging on Malaysian development in order to generate consensus on national economic directions and strategies and to promote productive cooperation between the public and private sector.

9. I am pleased to note that the MBC, together with the National Council for Scientific Research and Development, has initiated the public-private sector group called MIGHT (Malaysian Industry-Government Group for High Technology).

10. MIGHT I understand is formed to prospect for business opportunities for Malaysia through strategic exploitation of technology for the attainment of the Vision 2020 objectives.

11. The formation of MIGHT is timely and commendable. This government-industry partnership must work towards strengthening our current comparative advantage so as to sustain and even enhance our competitiveness. This can be done through technology-based businesses developed on local or foreign-sourced technologies or those originating from strategic alliances.

12. MIGHT must involve the participation of as many and as wide a spectrum of Malaysian companies for multi-perspective views that will enable actions at both micro and macro levels.

13. Larger membership will increase the possibilities and opportunities for new businesses through strategic alliances in the emerging mode known as virtual corporation.

14. In Malaysia, MIGHT will have the opportunity to foster and trigger the process of virtual corporation by cooperatively strengthening needed expertise in companies. Government support for this is reflected in the setting up of the unit for MIGHT in the Prime Minister's Department.

15. The Commonwealth Consultative Group on Technology Management (CCGTM) must play its role in promoting the new process of prospecting technology for national competitive advantage. The CCGTM, as you know, was initiated in Kuala Lumpur. It was established by the Commonwealth Heads of Government when they met in Kuala Lumpur in 1989. CCGTM has evolved from being an agent of change reforming the public sector technology management into a cooperative networking organisation that facilitates the interaction between public and private sector in technology management for growth.

16. I am gratified by the success of the CCGTM in its bold initiative to garner the support of the private sector at the Commonwealth and international level culminating in the formation of the CCGTM-Private Sector Partnership (CPSP). This partnership can take advantage of the strategic geographic positions of Commonwealth countries on all continents, and their varying levels of sophistication, to promote business through the transfer of the best practices in technology management.

17. I congratulate the forward looking perspective of the international businesses such as Cable & Wireless, Shell International, Rolls Royce, Short Brothers, GEC Marconi, Hewlett Packard and, of Commonwealth national businesses in Zimbabwe, Botswana, Sri Lanka, and Malaysia who have already joined the CPSP.

18. Having already demonstrated ways in which the Government Private Sector Partnership can be achieved, you may need to focus during 1993 on the new qualitative change for the CCGTM and to establish a new formula for managing and resourcing CPSP. This may involve a shift from the traditional multi-lateral funding towards a cooperative resourcing from government organisations, companies, CCGTM members themselves and other friends.

19. Towards this end CCGTM's own cooperative network organisation may need to look into a more effective form of management while still maintaining the traditional links. By October this year you may be able to take advantage of the CHOGM in Cyprus where you may formulate a complete forward strategy for the next five years, based on the new CPSP.

20. In this context, I wish to urge Malaysian industrialists to support and join the CPSP to follow the example of Sapura and YTL Corporation and in this manner help to strengthen mutually their resources.

21. I hope MIGHT will also work closely with the CCGTM and the CPSP for collaborative action in prospecting for technology and in building an agenda of action for industrial competitiveness for Malaysia.

22. It is now, my pleasure to officially launch the CCGTM-Private Sector Partnership and the Malaysian Industry-Government Group for High Technology.