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KETUA SETIAUSAHA NEGARA
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Your Majesty, Excellencies, Ladies and Gentlemen, Assalamualaikum and a very good morning to all.

2. I was asked to speak about the capacity building measures undertaken by Malaysia to create a more conducive business environment and to improve the public delivery system, particularly among the implementing and monitoring agencies to ensure speedier execution of programmes and projects. This is premised on the notion that economic growth, wealth creation and employment generation will address the issues related to poverty.

3. One of the five thrusts of Malaysia's National Mission is to strengthen the institutional capacity of the country. It is recognized that the public sector must become a better facilitator of a private-sector led economy. The approach taken is for the Government to focus on providing the hard and soft infrastructure to attract and facilitate, rather than supplant and certainly not to frustrate the private sector.

4. The Government considers the private sector a very important partner and as such the establishment of a Special Task Force to Facilitate Business, or better known as PEMUDAH on 8 February this year is another clear signal that efficient delivery of service to the private sector is the cornerstone of the Government's efforts to enhance competitiveness and promote economic growth.

5. PEMUDAH was put in place to enhance the consultation process to improve the public delivery system, speed up the process of change and undertake overall review of the public service delivery system in terms of the processes, procedures, legislation and human resource.

6. PEMUDAH is jointly chaired by the Chief Secretary to the Government; and a prominent member of the private sector community, Tan Sri Yong Poh Kon, President of the Federation of Malaysian Manufacturers. The 23-member PEMUDAH comprises top civil servants and prominent private sector individuals.

7. PEMUDAH reports directly to the Prime Minister, and its responsibilities include:

- Reviewing and streamlining processes, procedures and licenses with a view to simplifying or minimizing them or doing away with them completely if not necessary;

and

- Identifying best practices to improve public delivery with a view to enhancing the business environment and improve overall competitiveness.

8. PEMUDAH has enabled the private sector to engage directly with the Government at a high level in order to resolve issues by providing practical and pragmatic solutions. This may be what Rahman Rashid of NST yesterday would term 'CO-OPTATION' of the private sector into the National Agenda.

9. Some of the issues that have been addressed by PEMUDAH in the last 6 months include:

i. Taxation matters

- Reduce the number of days taken to return excess tax paid within 14 to 30 days compared with 2 years before this.

ii. Business Licensing & Certification

- Approving applications for setting up of a company within 15 minutes to 5 days. This previously took up to 14 days.
- Permissions and certificates for occupational safety of machinery and factories are issued between 2 weeks to 45 days depending on the type of application.

iii. Factories and Warehouses

- Reduce the number of days taken to approve development and construction of factories/ warehouses to 134 days from 281 days previously;

iv. Immigration Matters

- Application of work permits for expatriates are processed within 7 days, compared with 14 days previously. Professional visit passes have been extended from 3 months to 6 months.

10. Other measures being examined include:

- intellectual property rights;

and

- issues pertaining to SPECIFIC sectors particularly hotels, construction, customs and logistics.

11. The World Competitiveness Yearbook (WCY) 2007 highlighted improvements made by Malaysia in terms of cost of doing business. Malaysia was ranked at 9th on the perception that ease of doing business is prevalent in the economy (2006: 18th). Improvements were also made in the perception about government delivery where Malaysia was ranked:

- 3rd on the perception that the government easily adapts its policies to changes in the economy (2006: 7th); and

- 9th for the perception that bureaucracy does not hinder business activity (2006: 11th).

12. PEMUDAH will continue to identify and implement or recommend new measures including speeding up and streamlining processes through the use of IT, making possible widespread use of on-line application, and composite licenses and permits enhancing transparency and accountability of the public sector.

13. The setting up of PEMUDAH has provided the platform for both the public and private sectors to address delivery issues in a more collaborative manner.

Thank you.