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Bismillahir rahmanir rahim

Assalamualaikum warahmatullahi wabarakatuh and a very good afternoon

Y.Bhg. Datuk Mustafa Mansur,  
Chairman of the International Chamber of Commerce Malaysia,

Ladies and Gentlemen,

First and foremost allow me to thank ICC Malaysia for inviting me to address you this afternoon and share my thoughts on challenges Malaysia faces in its business competitiveness globally.

2. Let me start by asking all present here what makes for competitiveness of a nation or indeed a place? Competitiveness is more often than not driven and determined by soundness of infrastructure development as well as the quality of life a place provides for its people, be it its nationals, residents, its investors or tourists. It is all those who claim a stake in the success of a place; the Nation. Fundamentally the competitiveness of a place must be the sum total of what a place aims to attract as its outcome. To illustrate an example, if the competitiveness of a place is in its tourism, it would therefore lend all its efforts to drive every feature it has to make it as competitive a tourist spot as it needs to be to reap its optimal Unique Selling Proposition, as it were. In the same vein, what is essential for Malaysia of the 21st Century is to determine what this Nation must have, to make it competitive domestically and globally.

3. Malaysia has the opportunity of creating a regional education hub, global biotech industries, global information technology backup services, virtual university platforms as well as moving up the value chain of service and building our local businesses in all industries into MNCs. To do this, one would argue we need a Public Service that supports an economic system that promotes and facilitates the ability of business enterprises to compete effectively in the international markets and ensure the betterment of standard of living domestically.

Ladies and Gentlemen,

4. Allow me a moment to briefly take us through Malaysia's economic journey in the last 30 years. Through the 70s and 80s Malaysia experienced the New Economic Policy. This required us in the Public Service to assume a "Developmentalist" role, so to speak, of national development and nation-building where we focused on enhancing and upgrading capacity and capabilities. We then took on the role of Facilitators in the 1990s, for ten years, with the implementation of the National Development Policy. This called on the Government to facilitate national reforms for the advancement of a production-based economy. In 2001, when the National Vision Policy was introduced, it mandated the Government to assume the combined role of a Developmentalist as well as Facilitator in realising the Vision set in these commitments. Today the Government must assume the role of an innovator, incorporating the functions of a leader, a pacesetter, a moderniser, an effective communicator and a trendsetter.

5. I share this evolution of Malaysia's landscape to set the scene of how we have had to purposefully rise to the challenges and needs of the times locally and globally. What we need to ask ourselves is: as a Nation, have we moved forward, backwards, or remained stagnant through the evolution of the last 30 years? How do we measure our competitiveness and what and who defines the very measure of this competitiveness? And more importantly, what are the components in a nation that makes for this competitiveness?

Ladies and Gentlemen,

6. National competitiveness has been defined by many as a globally pitched ranking and is often linked with Public Service delivery. But I would posit that this cannot be the exclusive measure. There must be an inclusive partnership between the private and public sectors as well as civil society as all our individual needs, demands and wants form the Nation's fabric and collective need. Each of the cogs must move with the wheel to set it in the right motion forward. Competitiveness cannot emanate off a situation where only one of the constituents is called to be accountable and responsible for advancement and development.

7. The general assumption that business is market-driven and therefore only the most efficient survive is not entirely true. We may be the most efficient but if the elements in that market do not move in concert with our level of efficiency, we will not be as successful as we could be. Just as the public service delivery system is often scrutinised, there is a need to review private sector service delivery systems and its integrity.

8. Take for example financial institutions and the development of these institutions. Are these financial institutions supportive of businesses, especially small, medium and indigenous businesses? Or are they so risk averse such that they make it difficult for businesses to start and expand. This can result in the Government having to intervene where innovative solutions and creative business models would have proven more effective. The same is true with other service providers. Can the private sector be as competitive and see profits grow without dependence on foreign labour? Can they expand without keeping pace with improvements in public sector and the increasingly discerning customers? Are our business models, public and private sector alike, innovative enough to spur wealth creation? Can the model that is said to no longer work for a public sector today continue to work for a private sector in the same genre?

9. It is on the fundamental acknowledgement that no one party can be solely responsible for competitiveness of a Nation that YAB Perdana Menteri initiated the partnership between the public and private sectors on 7 February 2007. The special task force called PEMUDAH was established, as you well know by now, to improve the ease of doing business in Malaysia. Much has been written about PEMUDAH and I will not deliberate too much on the Task Force's undertakings. Suffice to say the Task Force has begun addressing various aspects of the public and private sectors which directly and indirectly affect the ease of doing business in Malaysia. A simple issue like traffic jams could affect our competitiveness as much as corruption and transparency. But the real strength and value of the Task Force is in creating a sense of urgency to enhance service delivery for the public sector as well as ensuring that the private sector have an equally important role in national competitiveness and must have the very attributes that the public sector is often rebuked and berated for lacking, such as integrity, delivery standards, efficiency, consistency and accountability.

In this context, in the case of corruption, it is imperative that firm actions are taken against those who accept bribes. And also, just as important, the giver of bribes should be punished accordingly.

Ladies and Gentlemen,

10. One other area which poses both opportunities and threats is globalisation. An almost flogged horse, globalisation, brings with it not only new economic opportunities but also new political, social, technological, and institutional complexities. The challenge for any Public Service in the face of globalisation is to reduce disparity caused by fast growing economies. It is our responsibility therefore to make certain that the cake of wealth and prosperity grows with ground breaking and pioneering economic models and that it is shared by all: the simple Joe to the big MNCs. Everyone who claims a stake in the success of that Nation must truly experience that success or we would just be window dressing our sense of competitiveness. In the context of Malaysia, we are working towards reducing income, employment and wealth disparities in our society through programmes defined in the 9th Malaysia Plan. We have initiatives and programmes to train, support and counsel individuals, families and communities in our effort to eradicate hard core poverty by 2010 and reducing poverty levels to 2.8% in the same period. A Nation's competitiveness cannot remain a going concern if its poverty levels prevail. Disparities and

poverty levels often provide a gauge of market activity and competitiveness of a place and it is therefore imperative that we are able to respond effectively in these matters.

Ladies and Gentlemen,

11. On 16th January 2008, we launched the Public Service Commitment. For the first time, perhaps, we in the public sector “went public” with our promises in the name of accountability and transparency such that we can be held to scrutiny by our stakeholders. Why, you might ask, did we “stick our necks out” when we didn’t need to? This Commitment is driven by our acknowledgment that the approach we assumed in the last decade is not necessarily the right one for the next. The test of whether we are headed in the right direction must surely come from our answer to the question: “Are we making a difference?” Will we be relevant tomorrow as we have been today and yesterday?

12. Gone are the days when public officials could choose to ignore the media, complaints, telephone rings or even letters to editors. The Public Service today has to respond not only to the conventional media but the alternative media. In the past the alternative media was associated with “young punks”. This no longer holds true as the alternative media, you know, knows no limit: be it age, time, geography. Everyone and I say almost everyone has a blog to his or her name. The speed of information is such that countries and companies today need web based crisis management plans to address effects of negative blogging in times of crisis. Even the Prime Minister himself has initiated a website where the public can write directly to him on any and all issues. The website [warkahuntukpm.com.my](http://warkahuntukpm.com.my), which was launched on 1 March 2008, enables the Prime Minister of Malaysia to interact directly with the civil society, the public at large and all of Malaysia’s stakeholders. If the Prime Minister is taking and making all efforts to engage the public individually and directly, surely this clearly sets the standard of service for the public and private sectors.

Ladies and Gentlemen,

13. Gone are also the days when variations in quality of service delivery could go unnoticed. In the past there was deference to the providers of public services, and a consequent willingness to accept gratefully, or reluctantly, whatever they offered. That no longer holds true in this climate. Our customers demand not just service, but service with consistency. They will not stomach anything less.

14. To rise to these and similar challenges, the Public Service of Malaysia and indeed its private sector too, need people who possess a world view which integrates entrepreneurial dynamism with selfless nation-building. This will create a vibrant Malaysia that will be very attractive for business and a great place to live!

15. The imperative for all of us is to understand that each of us have a role in ensuring Malaysia’s competitiveness. Whilst there has been enormous focus and attention placed on the public sector, the private sector’s efficiency merits equal attention. The role of civil society in how it constrictively acknowledges and accepts standards also defines our level of competitiveness. If civil society ignores or condones corruption, we develop a corrupt society and the reverse holds true. The same can be said for standards of service which we tolerate.

Ladies and Gentlemen,

16. We must be acutely aware of how we impact on each other’s performance and how our day-to-day decisions affect people and the larger systems around us. I would also want to use this opportunity to hear from you what you think both sectors can do in the face of global challenges.

17. On this note, Ladies and Gentlemen, I would once again like to thank ICC Malaysia for this opportunity to share my thoughts with you.

Thank you.