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KETUA SETIAUSAHA NEGARA
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Title : LUCHEON TALK WITH AMCHAM MEMBERS
Mr Vince Leusner

President,
American Malaysian Chamber of Commerce,

Ladies and Gentlemen,

A very good afternoon to all present today for this luncheon talk.

First and foremost, I would like to extend a note of appreciation to the Committee of the American Malaysian Chamber of Commerce (AmCham) for inviting me here this afternoon. It is indeed an honour for me to be here, to address such an accomplished crowd.

2. The topic of discussion that was proposed to me for this afternoon's talk is "PEMUDAH: Benchmarking the Best". Many of you present here today, I am sure, have been following the progress of PEMUDAH and its efforts. What better way for me to share the updates of our efforts than to be invited to such an esteemed gathering of our foreign partners.

Ladies and gentlemen,

3. Allow me to take a few minutes to provide a bit of background on the formation of PEMUDAH. The idea was first mooted on January 11, last year by our Prime Minister, Y.A.B. Dato' Seri Abdullah Ahmad Badawi in his annual address to the Public Service. There was recognition from the Government that there needed to be greater improvement in the way business is facilitated for Malaysia to continue to maintain its relevance and competitiveness in the global market.

4. Instead of going down the normal path of setting up a taskforce of officials to solve a problem, we in fact went into partnership with members of the private sector to tap into their expertise, to jointly refine the ways businesses are being set up and conducted in Malaysia. The committee today is known as PEMUDAH, comprising 23 members from both the public and private sectors. As you may have known by now, PEMUDAH is translated literally to mean "The Team to Ease Business"

Ladies and Gentlemen,

5. PEMUDAH was tasked with reviewing and enhancing ways and initiatives on how to further improve the Malaysian public service delivery system, which will ensure ease of doing business in Malaysia for all parties – local and foreign. In this regard, best practices within each sector, both locally and globally, were studied. There are instances where we benchmark against each other within the Service.

6. There is no doubt that benchmarking is a powerful tool that, when implemented effectively, allows an organisation to grow and improve efficiently. The success of many organisations around the world bears proof to this. If you want to compete with the best and be better than them, then you have to benchmark against the best.

7. Competition for the Malaysian Public Service is very important. We compete internally to meet the demands of the public we serve; and we compete externally to keep Malaysia in stride with the rest of the world.

Ladies and Gentlemen,

8. Governments all over the world are currently refocusing themselves so as to be more competitive – improving education, increasing trade, reducing unemployment, improving health standards, reducing crime. The challenges encountered by Malaysia's public service are no different from that faced by all

government administrations internationally. A key challenge that we and our counterparts in other nations face today, is the need to shift our focus from that of purely policy making to that of service delivery.

9. Benchmarking in the public sector has taken many forms and fashion in various countries. Each fits its own needs. There are no set processes that we can cut and paste. One thing, for certain though, is that citizens all over world desire that governments are run like businesses and treat them with the utmost respect as paying customers.

10. The public does not differentiate between the responsibilities of departments, of local government, nor of central government. Their main focus is whether or not issues are solved and how well services are rendered. They are not concerned with the processes or intricacies of government. They are only concerned that the services and assistance that they required are officially attended. It is then the responsibility of the public service to not frustrate the demands placed upon it.

11. In the last 11 months since its establishment, PEMUDAH's efforts in improving the Malaysian public delivery system have been successful. We have implemented numerous changes in various departments to improve their operations, allowing them to provide better and faster services, which include:

- allowing private valuation for the purpose of assessment in stamp duty payment. This enables faster transfer of property, pending the final valuation from the Valuation and Property Services Department;
- streamlining the number of application documents used by the Customs Department, from 16 customs forms to 4;
- reducing the Immigration Department's processing time for the issuance of work permits for skilled workers, from 14 days to 7 days;
- introducing a new visa category for business travellers, which will provide for a longer validity period;
- enabling applications for professional visit passes for knowledge workers to be made in Malaysian embassies and consulates overseas;
- and
- allowing Indian and Chinese nationals to apply for multiple entry visas in the country of residence or occupation.

12. A major PEMUDAH initiative, that is currently in progress is the Business Licensing Electronic Support Services (BLESS). This initiative is working towards establishing a one-stop online channel to streamline and speed up the process of business licences applications. Other than simplifying the application process, the BLESS initiative also aims to reduce time taken for issuance of licences as well as the number of licences needed. BLESS will be implemented in stages, beginning with the manufacturing sector and the hotel industry.

13. Going forward, some of the initiatives that PEMUDAH is working on this year are:

- Reducing enforcement of contracts from 600 days to 200 days;
- Expediting trading across borders where exports are cleared in 6 days (currently 18 days) and import cleared in 5 days (currently 14 days);
- Reducing the time taken for registration of property to 50 days as opposed to 144 days that it takes today.

14. There is a lot more that can be done, and needs to be done, to ensure a more effective and efficient public delivery system.

15. Industries, businesses and the public in general have a significant role in the improvement of the Malaysian public delivery system. The feedbacks that we received, be it positive or negative, assume an

integral part of our improvement. At the end of the day, it is not up to us to judge ourselves; it is for our customers to determine our success. If it is positive, then we know we are on the right track. If it is negative, then we need to respond to it quickly and effectively, such that those issues do not escalate or deteriorate but are resolved in the best possible manner in the fastest possible time.

16. We cannot live and work in silos and expect things to improve on their own. Both the public sector and the private sector have their roles in improving the state of affairs within a nation. The more both parties engage, shortcomings and inefficiencies can be identified with speed; solutions can be determined with accuracy; and implementations effected with precision.

17. I believe that the international business community has a lot to offer Malaysia. Not only does it bring investments, technology and expertise to our shores, it also provides us experience – experience in management, experience in administration, and experience in implementation.

18. Looking from the outside in, with all that knowledge and know-how stemming from experiences around the world, they can provide Malaysia with insights that we may or may not have been exposed to.

19. The desire of the Malaysian public service is, to serve and drive the nation. I believe that the Malaysia Public Service has taken many positive steps. PEMUDAH has helped to move this faster.

Ladies and Gentlemen,

22. On that that note, I would like to thank the Organiser, the American Malaysia Chamber of Commerce, for inviting me and providing me this opportunity to address you this afternoon. It has been indeed an honour and a pleasure.

Thank you.