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KETUA SETIAUSAHA NEGARA
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Assalamualaikum and Good Afternoon.

Y.Bhg. Tan Sri/Dato' Sri/ Dato'/Datin,
Members of the Media,
Ladies and Gentlemen,

Thank you for attending this media conference. On behalf of the Members of PEMUDAH, we are very pleased to present the Annual Report which marks the first year anniversary of the formation of PEMUDAH.

Ladies and Gentlemen,

2. The establishment of PEMUDAH was visionary and guided by the fundamental awareness that public-private partnership is imperative to ensure Malaysia's competitiveness.

3. When Yang Amat Berhormat Perdana Menteri established PEMUDAH last year, the challenge to the Task Force members was to bring changes and improvements to the public delivery system as it impacts Malaysia's competitiveness. There were some who were skeptical whether PEMUDAH can make a difference. However, after presenting the 6 month progress report to the Prime Minister on 17 August 2007, the Prime Minister decided that PEMUDAH carry on the work that it had begun, and to keep up the momentum for change that it had successfully put in place.

4. I must state here that the Prime Minister himself wanted to launch the PEMUDAH Annual Report. He regrets that he cannot be here and has requested that we go ahead with this launch as it is important that the improvements made be broadcast and shared with all. The Annual Report documents the fact that this Government's exhortations about making improvements to public service delivery has moved beyond rhetoric. And that PEMUDAH has been the catalyst for this quest for continuous improvements.

5. The partnership in PEMUDAH has worked on two critical fronts. Firstly, it has enhanced public sector appreciation of providing good service to the customers. And secondly, the private sector members are now more appreciative of the workings of the public sector. Pre-conceptions are often built from the periphery; it changes when you are participants.

Ladies and Gentlemen,

6. PEMUDAH is driven by the principle of "inclusive partnership". An efficient and effective public delivery system can only emanate from inclusive collaboration of all stakeholders. We will keep to this winning formula and build on the strength of this collaboration going forward.

7. I am taking a little time to belabour the point about partnership because this is at the core of what PEMUDAH is about, and more importantly it is at the core of what Malaysia is about. This partnership facilitates a systemic approach to issues as they impact the business environment and the citizenry.

Ladies and Gentlemen,

8. Malaysia's competitiveness is a function of the symbiotic relationship of three equally important

elements: the public and private sectors and civil society, including the average person on the street. Not much good can come of a situation where only one of the elements is called upon to be accountable for improvements. It is time to take an objective look at the developments in the Malaysian business environment and understand that each element must contribute to Malaysia's competitiveness.

9. Allow me to take this a little further. For too long the Government and the civil service have borne the brunt of criticism of members of the public who claim that we are non-responsive, irresponsible and slow. Let me illustrate: When the public service made the commitment to make payments within 14 days, we assumed that the main contractors will cascade similar payment terms to their partners to ensure a liquid and competitive environment.

10. However, we find that this is often not the case with the result that sub-contractors unfairly blame the Government for late payment, when the fault lies with the main contractors who despite benefiting from the improvements made by the public sector, has not passed it on to their suppliers or sub-contractors. For the whole system to work efficiently and effectively all parties must complement and reciprocate other's efforts and improvement initiatives.

11. In a similar vein, we get complaints about the long wait for strata titles. As the various land offices work to clear the backlog, it is becoming evident that some of the delays are contributed by developers who have themselves not done the necessary to facilitate the issuance of strata titles. Often owners of the property are unaware of the situation and assume that the delay is caused by the Government.

12. I have also obtained reports from ordinary citizens complaining about irresponsibility of private entities. Take the case of development projects in residential areas. Developers must also be responsible and abide by the regulations. If the regulations call for work to cease during weekends, public holidays and late evenings, then so be it. While this is not directly related to the work of PEMUDAH, the point I want to drive home is that integrity is for everyone and that includes everyone. The government and the civil service will ensure that we maintain a high level of integrity in our service delivery. The private sector should also do likewise!

Ladies and Gentlemen,

13. You will note from our Annual Report that we worked on the urgent and important areas, areas with high public interface, where time-consuming and dispensable processes needed to be discarded. Towards this end, PEMUDAH focused mainly on business facilitating issues which ranged from addressing processing times of licenses to resolving service levels at local authorities.

14. It is the context of high public interface that there has been a focus on local authorities. This is also the reason why the Secretary-General of the Ministry of Housing and Local Government and the Director-General of Local Government are members of PEMUDAH. As a provider of basic amenities, the services of the local authorities have a direct impact not only on the business vibrancy of the locality but also on the quality of life of residents in a community.

15. It is in this regard that going forward PEMUDAH will focus not just on business facilitation but also on issues that affect the lives of the ordinary citizens. Malaysia must be the country of choice not just for business but also to live in. That must be our collective goal. And this can only be achieved through the partnership, collaboration and commitment of each and every one of us whether at the federal, state or local government levels, public or private sectors, as well as the ordinary citizens.

Ladies and Gentlemen,

16. With all the improvements we have shared with you today in this Annual Report, I must say that Yes, we are pleased with the progress PEMUDAH has made. But NO, we are not satisfied. We must keep this momentum going. We need to continually raise the standards for ourselves, benchmarking against the best and eventually becoming the benchmark.

17. There are many more areas for PEMUDAH to work on. And these cover not only issues that are directly related to the business environment but also to concerns that indirectly impact the business environment, including:

- i. Environmental issues which have direct impact on the friendliness of our places;
- ii. Land matters which have a bearing on the ease of setting up business and homes;
- iii. Review of the approach to the employment of foreign labour, coupled with the enhancement of domestic human resource development and skills upgrading;

and

- iv. Branding our towns and cities as they influence Malaysia's competitiveness in attracting investments and promoting tourism.

18. In addition PEMUDAH will continue its work on the five key areas for enhancing the ease of doing business in Malaysia, namely:

- i. Trading across border;
- ii. Registering property;
- iii. Paying taxes;
- iv. Enforcing contracts; and
- v. Closing a business.

19. Those are the commitments of PEMUDAH which forms a component of the Government's larger commitment and promise towards a competitive and prosperous Malaysia.

20. The Government has made its commitments to ensure a responsive public service which delivers on its promise and delivers them with integrity and consistency. Towards this end, and in alignment with the National Vision and Mission, the Public Service of Malaysia will emphasise in the following areas as described in our Commitments for 2008:

- i. Overhaul services at land office, local authorities and front line agencies;
 - ii. Ensure merit based performance standards and increase ethnic diversity in the Public Service;
 - iii. Raise market activity for a competitive economy;
 - iv. Drive balanced development through eradication of poverty;
- and
- v. Instill a culture of Serving with Integrity and zero tolerance to corrupt practices

21. One other main area that the private and public sectors must address collectively is the issue of "Perception". Often drawn from experience perception affects our national competitiveness regardless of the source. Perception can stem from simple things like not answering your telephone calls to answering them rudely, to the seemingly larger issues of lack of transparency and accountability. In these areas, PEMUDAH will embark on a communications plan as well as an improved consultative process with all its stakeholders who impact the Brand of Malaysia, be it locally or globally. As the saying goes, it takes years to build a reputation and only a second to destroy it!

Ladies and Gentlemen

22. These are but some of the areas PEMUDAH will work on in the year ahead. For the year that was, I

would like to take this opportunity to thank all the Members of PEMUDAH who took up the challenge given by the Prime Minister and tackled the root causes of the problems. I would also like to thank the Co-Chairman of PEMUDAH, Tan Sri Yong Poh Kon for his unwavering dedication to pushing the systems to productive levels. My gratitude to the many unsung heroes and heroines in the various ministries and agencies at all levels, who went the extra mile to effect the change in the Public Service.

23. We must also record my appreciation to the ordinary people who have raised issues and concerns and suggestions through the PEMUDAH website. We welcome such comments and assure you that every one of your feedback is acted upon. Please continue to use the website to interact with us.

24. I would also like to thank you, members of the media, for your balanced coverage over the months as you watched and covered PEMUDAH's efforts to transforming the public delivery systems towards a customer-centric Public Service.

With that I thank you.

Wabillahit Taufik walhidayah,
Wassalamualaikum warahmatullahi wabarakatuh.

Tan Sri Yong and I will be happy to take your questions now.