

By : TAN SRI MOHD. SIDEK BIN HJ. HASSAN  
KETUA SETIAUSAHA NEGARA  
Venue : NIKKO HOTEL, KUALA LUMPUR  
Date : 29/04/2008  
Title : CEO CONFERENCE ON IMPROVEMENTS IN GOVERNMENT SERVICES TO  
ENHANCE BUSINESS COMPETITIVENESS

Bismillahir rahmanir rahim

Assalamualaikum warahmatullahi wabarakatuh and a very Good Morning.

Y.Bhg. Tan Sri Datuk Yong Poh Kon  
President of the Federation of Malaysian Manufacturers,

Ladies and Gentlemen,

First and foremost allow me to thank Tan Sri Yong Poh Kon and the Federation of Malaysian Manufacturers for the invitation to address this Conference this morning on improvements in Government services to enhance business competitiveness. I must also thank FMM for taking the initiative to enhance awareness about the various measures that the Government has undertaken, and is continuing to put in place, to improve the business environment and in so doing enhance business competitiveness.

2. I am especially pleased to have this opportunity to interact with CEOs of FMM member companies, given my long association with FMM, going back to the years I spent at the Ministry of International Trade and Industry.

Ladies and Gentlemen,

3. Increasingly, investors heed the competitiveness rankings put out by international organisations such as the World Bank, the World Economic Forum and the Institute for Management Development. The indicators used by these organisations to measure competitiveness range from hard economic indicators to qualitative ones including human capital development, governance, transparency, quality of life and environmental friendliness.

4. What these measures tell us is that competitiveness is an all encompassing concept and must be approached holistically. And given that the competitiveness rankings to some extent influence investment decisions, nations that want to stay ahead of the competition cannot ignore these international comparisons.

5. Clearly, a nation like Malaysia cannot afford or choose to stay on the sidelines of the competition because, ours is an open economy where international trade and investment contribute significantly to economic growth and development. Maintaining our level of competitiveness is not sufficient anymore. We have to improve and keep improving if Malaysia is to stay ahead of the pack. The heat is always on, as in this race there is no finishing line. We have to continually take cognizant of new entrants, changing rules, challenging terrain and environments and the like.

6. Drawing from the analogy of a race it is obvious that this race cannot be won, at the company, industry or economy level. We can only succeed with the full participation and support of all parties, namely, the public and private sectors, as well as civil society.

7. It is in this context that the Government has made it our business to ensure that the public and private sectors collaborate and form the strategic alliance which will enable Malaysia to enhance its competitiveness. This is the spirit behind the industry dialogues and the continuous calls for the public sector to engage the private sector in all initiatives. In this ever competitive world there is no place for arrogance. We need to consult each other to make informed decisions that then can contribute towards national competitiveness.

8. The embodiment of this spirit of collaboration is PEMUDAH. I know that, since the President of FMM is the co-chair of the task force you are familiar with how PEMUDAH works and the achievements made.

Ladies and Gentlemen,

9. Competitiveness then is the shared responsibility of both the public and private sectors as both are stakeholders in this economy. Gone are the days where the private sector could blame the civil servants for delays. While civil servants must factor in the business impact of their actions, the private sector must also work with their counterparts in the public sector to find or propose solutions to problems that arise. Let's move beyond the old Blame Game and realise that we are in this together.

10. Let's replicate what we have in PEMUDAH. Let's "PEMUDAH-ise" our partnership. This partnership has been an educative process for both the public and private sector members of the Task Force and the working groups. I know the private sector appreciates more fully the public sector's commitment, at the highest of levels, to improving the competitiveness of the economy and the priority we devote in delivering effective outcomes. Concurrently, we in the public service have challenged our private sector partners in a number of ways. We have stressed that you have to move beyond viewing issues through the narrow firm or company-level lens to viewing them from a macro perspective.

11. Here are a couple of issues that CEOs should work on. One is how to reduce the economy's dependence on foreign workers. Another is how to increase the environment friendliness of business-related activities and accept steep penalties for transgressions of regulations and laws.

12. We in the Government are challenged, just as you are, to move beyond the perimeters of traditional roles and responsibilities to being jointly responsible for moving Malaysia to a rank of 10 in the World Bank Doing Business Index, from the current position of 24, and to achieve that in the shortest time possible.

Ladies and Gentlemen,

13. The new way of working has allowed PEMUDAH, its two Working Groups and seven Focus Groups to achieve substantive results in the past year. The bulk of PEMUDAH's work, however, has been on bread and butter issues that affect the business community: delays in tax refunds and stamp duty assessments, backlog in transfers of land and building approvals, delays in employment of expatriates, business licensing under Local Authorities, Companies Commission of Malaysia, Department of Occupational Safety and Health, Department of Environment and the like. Delivering on our promise in the past year include:

- Tax Refunds: Your money back within a month;
- Starting a business:
  - o Register a new business in an hour; renew a registration in 15 minutes
  - o Get approval of a company's name in 1 day
  - o Register Charges, Deeds of Trust and Prospectus within 2 to 5 days
- Approvals for Development Projects: Review of preliminary EIA reports within 5 weeks;
- Approvals of Expatriate Employment within 10 days;
- Passports: Apply today. Fly tomorrow. Get your passport within an hour or at most within a day; and
- One Service, One Delivery, No Wrong Door.

14. We have also been able to review and clarify some of the policies relating to the construction industry, in particular social infrastructure contributions for industrial and commercial developments and levy payment to the Construction Industry Development Board for projects using the Industrialised Building Systems. The details of each of these and other improvements will be elaborated on by each of the Ministries present here.

15. Coming out of the work that the Taskforce has undertaken thus far are even more far reaching

outcomes for service delivery. Apart from the bread and butter issues tackled, the Taskforce has also been able to elevate the platform of services to be provided not just from the efficiency point of view but also from the quality and equity point of view.

16. From the equity point of view for example there is a perception that the public service is focused on facilitating the needs of big business and multinationals because they bring with them investment and trade that are undeniably important to Malaysia. However, can we say that we effectively meet the needs of small domestic businesses, which in 2005 constituted 99.2% of business establishments, comprised almost all of our home grown entrepreneurs, employed 56.4% of workers, contributed 32% of GDP and produced goods and services commonly consumed by the man in the street? These are the voices of the 'small man' in the street and the voices of citizens who often go unheard because they are not well networked and connected.

17. It is for this and other reasons that we must emphasise the need for a paradigm change in the public service. Among the values that need to be inculcated among civil servants are:

- Facilitate All: Facilitate at all levels from Federal to state to local authorities; and for all clients: big businesses, small business and citizens;
- Raise the Bar: Each civil servant is challenged to new heights of efficiency, commitment and integrity to remain relevant;
- Make a Difference: Consciously make a difference to the lives of the poor and the marginalised in undertaking our duties; and
- Enhance the Quality: move beyond basic brick and mortar to a culture of maintenance, aesthetics and livability.

18. All these values to be inculcated are embodied in the Commitments of the Civil Service for 2008:

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

Ladies and Gentlemen,

19. I believe the years ahead the competition will only get more intense and new challenges will emerge, emanating from the entry of new players, more challenging economic environment, new rules in the trading arena and the like. When we engaged the World Bank "Doing Business" team late last year we were informed that new indicators were being formulated to include aspects like corruption and transparency. These are issues that the Government is also focused on as exemplified by the establishment of the Malaysian Institute of Integrity.

20. Domestically new challenges have also emerged and the civil service will need to interface with new models of Government to ensure that businesses and citizens continue to benefit from the improved delivery of government services. Coping successfully with these changes is a priority for the civil service. I am of the view that the civil service is well placed to take on the new challenges alongside the old ones, and in the process move to a higher level of service to facilitate the continued growth and expansion of businesses and the economy.

21. In moving the economy forward I would like to reiterate that we will continue to work in close collaboration with the private sector. The frankness and intensity of exchanges between the private and public sectors, and the feedback we have received at PEMUDAH have been helpful in identifying and addressing the issues closest to the heart of businesses. Perceptions or misperceptions about the way we operate have also been addressed in PEMUDAH, and on the advice of our private sector partners we will focus on enhancing our media communications programmes and the way we engage stakeholders.

22. In the coming year, PEMUDAH will work on issues that are not only directly but indirectly related to the business environment. We will be looking to address environmental issues that directly impact on the friendliness of our places, land matters which have a bearing on setting up business and homes, and feeding our populace; review the approach to the employment of foreign labour coupled with development of domestic human resource and skill upgrading; and branding our towns and cities to have a positive impact on Malaysia's competitiveness and tourism.

23. Following Y.A.B. Prime Minister's announcement at the Asean Integrity Dialogue on Monday, 21st April 2008, we will also work in relation to government procedures and processes, making it more transparent and accountable. In the areas of doing business, work will continue to be focused on trading across borders, registering property, taxes, enforcing contracts and closing a business.

24. As mentioned before, the focus will also be on serving the citizens better. In this regard we welcome your comments and proposals which you can channel through the PEMUDAH website. We value such interaction, and look forward to inputs on how we can serve citizens from all walks of life more effectively and with a difference in the quality of outcomes.

Ladies and Gentlemen,

25. In conclusion, I would like to reiterate that business competitiveness is a function of efforts of both the public and private sectors. The level of competitiveness attained by our nation is dependant on whether both parties have contributed meaningfully to the process. Looking back at Malaysia's development and the path we have taken, it can be said that we have done many things right to have arrived where we are as a nation. But the questions that beg to be answered are whether we could have done more, and is it going to be enough to remain competitive moving forward? I am sure you will agree that competitiveness re-defines itself on a daily basis, and to take anything for granted would be to leave our future to chance. The bottom line is that we have to keep running the race and keep looking over our shoulder to see who is catching up, even as we look forward to overtake the competitors ahead. Let's run this race together.

26. On this note, Ladies and Gentlemen, allow me to thank the FMM again for giving me the opportunity to address you on the occasion of the opening of the Conference on Improvements in Government Services to Enhance Business Competitiveness, and to wish you success in your deliberations.

Thank you.