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Bismillahir rahmannir rahim

Assalamualaikum warahmatullahi wabarakatuh and Good Afternoon.

Dr Goh Cheng Teik,  
Chairman of the Hap Seng Public Lecture Series

Ladies and Gentlemen,

First of all, allow me to record my appreciation to Dr Goh and the Hap Seng Group for this invitation to share my thoughts on how Government can work with the business sector in Malaysia in facing the global economic crisis.

2. I like to stress that the issue is how the public and the private sectors can work together. In this context, I will leave substantial time from our session to listen to your suggestions, and to engage on how we can move forward.

Ladies and Gentlemen,

3. These are extraordinary economic times. And because the challenges that are unfolding are unprecedented it is difficult, if not impossible, to make firm predictions about trends in the world economy. If we recall in the early part of 2008, investment analysts predicted that oil prices, which had already hit US\$147 a barrel, would rise further and go through the roof. It has, instead, crashed through the floor.

4. Now many of the same analysts are saying that that the world is entering into one of its most severe recessions. Of more concern is the fact that no one is sure of the end game.

Ladies and Gentlemen,

5. The question of the day should be how both the public and private sectors can engage meaningfully in dealing with the current economic challenges. I am sure we all accept the fact that we are in this together. Allow me to confine my comments today to the roles of the public sector, specifically the civil service, as we confront the challenges ahead.

6. Let me begin by focusing on how the public sector is working to ensure that Malaysia is able to weather this economic storm, by highlighting three major areas. These are:

(i) Engaging the private sector;

(ii) Speedy implementation of measures; AND

(iii) Review processes procedures, rules and regulations.

7. Then we can take some time to share ideas on what else can be done in this regard. I will then briefly touch on the role of the private sector.

ENGAGING THE PRIVATE SECTOR

8. First, the public sector is actively engaging the private sector to come up with measures to support the

business community in these difficult times. To be effective, the measures the Government wants to put in place cannot be drawn up in a vacuum. It is a given that even in the best of times Government and the business sector must collaborate and cooperate if the measures are to be meaningful and effect the changes planned. All ministries are engaging their stakeholders to get feedback and proposals to forward to the Economic Council, a committee which is chaired by Y.A.B. Perdana Menteri.

9. Let me digress a little here to elaborate on Malaysia's experience in public-private sector engagement. In many ways, Malaysia has had a head-start in the way public and private sectors have been engaged. If we can recall in 1983, realising the benefits that the country can derive from such close cooperation, the Malaysian Government introduced a new concept in its vocabulary of national development, and that is, "Malaysia Incorporated". This concept has evolved from one of strategic intent to an operational reality. This has forged a national consensus that economic development was not just a public sector responsibility. The private sector too has an equally important active role in Malaysia's development. This was somewhat radical when it was first articulated.

Ladies and Gentlemen,

10. The public sector has always been under close scrutiny. It cannot be denied however, that despite the criticisms, complaints and short-comings, we cannot trivialise the role of the public sector in national development. We have seen this role evolve from that of initiator and implementer of economic plans to that of facilitator of economic growth, to being a partner with the private sector in nation building although in the last few decades, the private sector had been the engine of growth. In the current economic situation, the public sector assumes an even more important role; what the Prime Minister refers to as the "Engine of Economic Recovery".

11. While no one will argue with the value of private-public engagement, its success depends a great deal on the ability of both sectors to establish and maintain a relationship based on the spirit of cooperation, mutual understanding and consensus.

12. The private sector must understand the policies, objectives, rules and regulations as well as systems and procedures of the various Government agencies it deals with. The public sector must, on the other hand, be sensitive to the needs and goals of the private sector and has a duty to ensure no undue hindrance is put in the way of the private sector.

13. Today, the spirit of Malaysia Incorporated is alive and well and is exemplified in PEMUDAH, the Special Task Force to Facilitate Business. Established by the Prime Minister 2 years ago, on 7 February 2007, PEMUDAH embodies the inclusive mechanism so essential for improving the effectiveness of the public sector delivery system, and by extension, national development.

#### SPEEDY IMPLEMENTATION OF MEASURES

Ladies and Gentlemen,

14. Second, besides engaging the private sector in drawing up measures for the stimulus package, the public sector is working to ensure the speedy implementation of these measures. For, clearly, it is one thing to have a stimulus package, but it is quite another to ensure its effective implementation. All ministries and agencies responsible for the implementation of projects under the stimulus package have to report the progress regularly to the Economic Council and to Cabinet.

15. The current economic situation requires not only rapid and effective response from the civil service, but more importantly it requires that the public sector members and the Government as a whole work closely with the business community and civil society to ensure timely implementation of the measures.

#### REVIEW PROCESSES, PROCEDURES, RULES AND REGULATIONS

16. Third, all ministries and agencies are reviewing existing processes and procedures, rules and

regulations, in order to improve the public sector delivery system. Even as we focus on implementation of the stimulus package, we will continue to improve public service delivery, because this ultimately translates into reducing the cost of doing business, facilitating business, increasing transparency and speedier delivery of service.

17. In this regard the public-private sector engagement through PEMUDAH has been effective in contributing to improvements in the public delivery system. This will continue until we get to the point where the PEMUDAH spirit is prevalent and can be taken for granted; and where the process of inclusive engagement becomes second nature to both the members of the civil service and private sector.

Ladies and Gentlemen,

18. Having said all these, I want to emphasise the point that we cannot only hold the public sector or the Government responsible for the implementation of the measures that we have put in place. For Malaysia to make it through this difficult period, the private sector must also contribute.

19. Let me give an example. 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. 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 his suppliers or sub-contractors. For the whole system to work efficiently and effectively, all parties must complement and reciprocate each other's efforts and improvement initiatives.

20. The private sector can also work with the Government, by not only contributing ideas on what the Government should do, but also, by focusing on increasing efficiency and productivity, retaining Malaysian talent, skills and Malaysian workers, and look at reducing the cost of our services. For example, on the prompting of PEMUDAH, last year, the Malaysian Institute of Chartered Secretaries and Administrators, or MAICSA, has agreed to reduce the charges for incorporating a company from about RM3,700 to RM2,800 and annual corporate fees from about RM1,850 to RM1,200.

Ladies and Gentlemen,

21. There will be no letting up in the drive to improve public service delivery. Measures of relevance to the private sector include:

- First, the public sector will leverage on technology to deliver with speed, clarity and transparency. This is already being put in place. The myGOVERNMENT portal will mean that service is delivered via a single window. There will no longer be the need for the customer to go from department to department to get the service required. Given the level of ICT-savvy of the Malaysian public, the public sector must deliver more services on-line, with the option of equally effective counter-service for members of the public who may not be e-ready.
- Second, there will be greater inter-agency dialogue and communication in the way work is done, decisions made and problems solved. The "One Service, One delivery, No Wrong Door" is not only a mantra. We shall work to make it a given. What this means for the private sector is that, cases of being given the run around will become history, Insyaa Allah.
- Third, there will be greater integration of processes, with high levels of information sharing. For the private sector and the man-in-street this means that there will be no need for repeated requests for information. Also, there will be increased replication of best practices of processes, procedures and effective systems to shorten the learning curve and optimise use of resources.

Ladies and Gentlemen,

22. These are some thoughts on the way forward, and I would be happy to get your feedback and ideas

on how the public and private sectors can work together to ensure the competitiveness of our country, especially in these challenging times.

Thank you for your attention.