

Penyampai : Y. BHG. TAN SRI SAMSUDIN BIN OSMAN
Tajuk : DIMENSIONS OF PROGRESS AND INNOVATION â€“ MALAYSIAâ€™S
CHALLENGES AND OPPORTUNITIES IN THE NEW ECONOMY
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Bismillahirrahmanirrahim

Assalamualaikum warahmatullahi wabarakatuh and a very good morning.

Y. Bhg. Tuan Haji Yaakob Bin Hussin

Ketua Pengarah MAMPU

Y. Bhg. En. Adzman Bin Musa

Timbalan Ketua Pengarah (ICT), MAMPU

Mr. Saw Ken Wye

President

Microsoft South East Asia

Mr. Butt Wai Choon

Managing Director

Microsoft Malaysia Sdn Bhd

Heads of Government Agencies,

Distinguished Guests, Ladies and Gentlemen,

1. First of all, I would like to thank the organisers, Microsoft Malaysia for inviting me to officiate this conference. Let me begin by warmly welcoming all participants, speakers and presenters, both from the public and private sectors, to the Government Leaders Conference 2005.

2. Malaysia's foray into the Information and Communications Technology (ICT) industry has indeed been a revelation in fuelling both socio-economic growth as well as stimulating a paradigm shift in the mindset of the nation in embracing the full potential of the knowledge economy. The country's evolution from its more resource intensive industry beginnings to the current plethora of value added industries powered by ICT has been remarkable. Today, Malaysia plays host to global software and hardware manufacturers, outsourcing service providers as well as a myriad of Multinational Companies (MNCs) who have relocated their global ICT operations in Cyberjaya. This, thanks to the blessings of Allah S.W.T., as well as the foresight and vision of the country's past and present leadership is continuing to reinforce the ICT agenda in Malaysia.

3. It is at this juncture that we should take stock and measure the parameters of progress and innovations that have been brought about by ICT. Understanding these parameters become important as we dissect the challenges that need to be overcome in order for progress to take place. This will be critical to the Government and its leaders as they continue to grapple with the need to effectively engage with the citizens in providing high quality services, at reduced cost and increasing customer services within the various Ministries and Government Departments.

4. This year's Microsoft Government Leaders Conference is timely in signalling the continued momentum of the Government's efforts to effectively use ICT as an enabler for enhancing service delivery to citizens and businesses. While we agree that the Internet and technology have given us powerful tools to create new knowledge and capabilities, we need to be mindful of concerns regarding ICT reach and penetration. It has been reported that today, less than 1 in 5 households in Malaysia has a PC. As such the Government is seriously examining various strategies and mechanisms to drive ubiquity in electronic services to enable better access for citizens. The Prime Minister, Yang Amat Berhormat Dato Seri Abdullah bin Hj. Ahmad Badawi himself has emphasised this requirement when he stated that ICT service providers must cater to both the needs of sophisticated and novice users, particularly the rollout of basic services across the country, to address the question of the digital divide. Leaders and managers in the Public Sector must take up the challenge to ensure that we provide Government services through suitable channels that are in line with the needs and level of sophistication of users. And I strongly believe that the private sector too has a role to play in driving this agenda forward.

Ladies and Gentlemen,

Rapid Evolution of Information Management

5. Information Management has undergone tremendous evolution since the commercialisation of the World Wide Web in 1993. Since then, the communications infrastructure and technologies have evolved from text based systems running on wired mainframes and dummy terminal systems to desktop and laptop computing running on wireless LAN infrastructure that promotes mobility and faster access and performance. Today, the proliferation of personal digital assistants (PDAs) and smart-phones running on EDGE and 3G technologies have given rise to a pervasive computing environment that not only supports mobility but more importantly the efficient and fast processing of data anywhere, anyplace.

6. However, the rapid growth of technologies in these areas has not been closely followed by the

development of animated content (voice, video, data) that delivers quality services to the end users. For the Government, this becomes more compelling as the traditional modalities of services in some areas have been inadequate. In processing the daily transactional requirements of the citizens, whether it be tax assessments, car registrations, quit-rents, etc. we need to look at modern techniques of animated systems to support transaction processing through the use of these new devices and infrastructure.

7. As innovation continues to grow, so too does the requirements for data and data management. A study by the University of California, Berkeley has concluded that since the start of mankind, a total of 57 billion Gigabytes of data has been stored primarily as a result of the phenomenal growth of the Internet. This analysis whilst startling, should provoke more insights towards creating a more paperless environment and more efficient computing infrastructure which will support straight through processing of transactions. In simple terms, this will mean fewer backlogs of transactions, better services and a more efficient government administration.

Managing The Innovation Circle

8. The innovation circle in laymans term is the balance of managing the evolution of content in the digital economy with the evolution of both the infrastructure systems and devices in meeting the requirements of the stakeholders. Here, content is also representative of potential services, which both the private and public sector must provide in order for the next leap of digital innovations to take place. In a society that intends to utilise modern ICT systems and devices, content is indeed, øking. Therefore, in collaboration with both Telcos and perhaps the Banking industry, we need to promote more of its content, or rather public services, to be made available in multiple modalities, be it through emails, portals, sms or mms, mobile video conferencing, interactive TV and 3G.

The Evolving Role of Modern Computing

9. The philosophy of modern computing today is designated to get more bang for the dollar that is spent. This becomes particularly important when we decide to allocate large investment dollars to develop the right infrastructure and systems to support a knowledge society. Modern ICT systems operate on more processing power and faster speeds which facilitates more collaboration (with such things as video conferencing, interactive multimedia, multi player gaming and e-commerce) and ubiquitous access to information and transactions anywhere and anyplace.

Ladies and Gentlemen,

10. As we expand the adoption of ICT in providing online services, Government leaders and managers must understand that increasingly citizens and businesses expect continuously enhanced and convenient services that portray the image of One Government instead of the view of a myriad agencies and departments. This is something we must take cognisance of as Malaysia gets ready for the next wave of development and growth. The idea of One Government through ICT is an integral dimension of progress and innovation as we move strategically up the value chain in meeting the challenges and opportunities of

the new economy.

11. Towards this end, two years ago, I announced the initiative to develop a one-stop single gateway that will provide citizens and businesses with information and services through a national portal that will dispense the need to navigate the Governments vast machinery. I am glad to note that today the myGovernment portal has been developed as a citizen-centric portal with more than 900 websites across federal, state and local authorities. The portal today hosts 240 online services and offers more than 2,500 downloadable forms. As of 1 April 2005, the myGovernment portal received more than 250,000 hits. On the average, the online services section recorded 249 hits per day while the downloadable forms section recorded 152 hits. These data point to the increasing popularity of services offered by the portal. Admittedly, there is still much ground to be covered as we work towards providing seamless end-to-end electronic services via myGovernment portal, and hopefully soon enough the idea of One Government will be realised.

Competitiveness and Capabilities: Progress, Opportunities & Challenges

Ladies and Gentlemen,

12. The launch of the 9th Malaysia Plan next year will herald the halfway mark towards achieving the objectives of Vision 2020. After the strong mandate that was given to the Government by the rakyat in the last general election, the Government must indeed be seen to deliver on its promises. On the priority list is the expectation of a more efficient, transparent and customer-centric Government delivery system. The mere declaration of better service delivery has raised the performance bar for Government agencies. Our citizens now expect better quality of service in half the time and with far less hassle. The Government on its part expects its agencies to live up to these expectations but without being burdened with higher costs. Increasingly, Government agencies have to adjust to the idea of doing more with less.

13. The utilisation of ICT can certainly impact positively on national competitiveness by enhancing the capabilities of Government agencies in providing a wide range of services and information. Among others, the Government is looking at five key measures to improve service delivery by leveraging on ICT adoption as follows:

Firstly, to enhance and strengthen existing ICT systems;

Secondly, to strengthen human resource development;

Thirdly, to establish strong infrastructures;

Fourthly, to ensure effective cross agency collaboration; and

Finally, to ensure effective performance management.

14. These measures are in line with the framework set out by the National IT Council which is aimed at delivering efficient, effective and quality services electronically while facilitating the sharing of resources

among Government agencies.

Ladies and Gentlemen,

15. The progress and achievements of the many E-Government applications to-date provide further testimony to the Governments commitment and seriousness in utilising ICT to enhance service delivery to citizens and businesses. For example, the E-Procurement application has enabled Government agencies to procure goods and services electronically in an efficient and transparent manner. As of April 2005, there were nearly 95,000 registered suppliers under E-Procurement. Of this number, 28,231 are now E-Procurement enabled suppliers who can transact electronically with the Government. During this period, close to 50,000 transactions valued at more than RM340 million under Central Contract and Direct Purchase were recorded.

16. Electronic procurement has brought with it the attendant benefit of electronic payment to suppliers. The Electronic Budget Planning and Control System (eSPKB) developed by the Ministry of Finance has enabled payments to be made to suppliers via electronic fund transfer or EFT. For the year 2004, a total of 583,835 transactions valued at RM16.8 billion were undertaken through EFT. The Government intends to ensure that ultimately all payments to suppliers are made electronically so that suppliers and contractors can avail themselves of timely payments for services rendered.

17. Similarly, the Project Monitoring System application has been successfully implemented as a mechanism to monitor the implementation of development projects. The system covers the three aspects of application, data and communications and offers enhanced capability to monitor and track financial allocation flows. Additionally, the system will also enable informative reporting for accurate and timely decision making. The Project Monitoring System has been rolled out to all ministries and central agencies as well as the relevant state and district-level agencies. Data on the 6,765 development projects under the Eighth Malaysia Plan involving more than 50,000 sub-projects was successfully up-dated under the Mid-Term Review of the Plan. Currently all ministries have utilised the Project Monitoring System to forward their submissions under the Ninth Malaysia Plan.

18. The E-Syariah project is another example of the Governments efforts to improve the operations of its agencies. E-Syariah is aimed at upgrading the quality of services of the Syariah Courts and at the same time improving the productivity and efficiency of the Syariah Courts management. In this regard, the Jabatan Kehakiman Syariah Malaysia or Islamic Justice Department was strengthened to enable it to coordinate and monitor agencies under its jurisdiction. The E-Syariah project encompassed ICT applications for Court Case Management, Syarie Lawyers Registration, a web-based Library Management System, development of the E-Syariah Portal as well as office automation. These have helped to facilitate the work processes of the Syariah Courts through more efficient workflow management, case tracking and monitoring as well as a reference base for court cases nationwide. Currently, all 110 Syariah Courts are networked and have implemented the E-Syariah application.

Ladies and Gentlemen,

19. What I have alluded to thus far indicate clearly that at the heart of the strategy for enhanced Government service delivery is the effective leveraging of ICT. In almost all instances where the Government has reviewed the effectiveness of its delivery system, ICT has emerged as a critical component of the recommendations for overcoming obstacles to service delivery. This has been evident in relation to the Governments efforts to improve services related to land administration, the management and services of Local Authorities, the strengthening of the role of the District Office and the continuous upgrading of services offered by the front line agencies of the Government. The Government is convinced that it can realise the value of ICT investments in these delivery channels.

20. Examples of quick wins have proved encouraging. The JPJ Electronic Driving Test Taking facility is a case in point. Prior to its introduction, driving tests could only be conducted once a week for about 50 candidates. With electronic test taking, efficiency has improved 10 fold with more than 560 candidates being able to take their tests each week. Given the dramatic results that can be achieved through ICT, it is inevitable that the Task Force on Reducing Bureaucratic Red Tape that has been established in every ministry is also considering various ICT solutions as part of efforts to reduce red tape and provide customer-centric services in their respective agencies.

21. With these milestones, Malaysia still has to move up the ICT performance ladder. While we are recognised to have broad service availability, the Government n