

AHMAD HUSNI HANADZLAH

# CATALYZING FOR CHANGE

A FINANCIAL PERSPECTIVE



91  
M



PERDANA  
LEADERSHIP  
FOUNDATION  
YAYASAN  
KEPIMPINAN  
PERDANA



PERDANA  
LEADERSHIP  
FOUNDATION  
YAYASAN  
KEPIMPINAN  
PERDANA

# CATALYZING FOR CHANGE



PERDANA  
LEADERSHIP  
FOUNDATION  
YAYASAN  
KEPIMPINAN  
PERDANA



AHMAD HUSNI HANADZLAH

# CATALYZING FOR CHANGE

## A FINANCIAL PERSPECTIVE



PUSTAKA PERDANA



1009440

Published by  
 MPH Group Publishing Sdn Bhd  
 Lot 1, 1st Floor, Bangunan TH, No.5 Jalan Bersatu 13/4  
 46200 Petaling Jaya, Selangor, Malaysia  
 email: [mphpublishing@mph.com.my](mailto:mphpublishing@mph.com.my)

Distributed by  
 MPH Distributors Sdn Bhd  
 Ground Floor, Bangunan TH, No.5 Jalan Bersatu 13/4  
 46200 Petaling Jaya, Selangor, Malaysia  
 email: [distributors@mph.com.my](mailto:distributors@mph.com.my)

MPH Distributors (S) Sdn Bhd  
 No. 12 Tagore Drive, Habitat Warehouse, Singapore 787621  
 email: [sales@mph.com.sg](mailto:sales@mph.com.sg)

Copyright © 2012  
 All rights reserved. No part of this book may be reproduced in any form  
 or by any means without prior permission from the copyright holders.

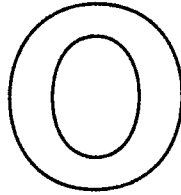
Produced / Design / Concept by  
 MEDIABIZ CREATIVE Sdn Bhd  
 10-2 Jalan PJU 7/16, Mutiara Damansara  
 47800 Petaling Jaya, Selangor, Malaysia

Perpustakaan Negara Malaysia Cataloguing-in-Publication Data

Ahmad Husni Hanadzlah, Dato'  
 Catalyzing for change: a financial perspective / Ahmad Husni Hanadzlah.  
 ISBN 978-967-5997-44-0 (Hardcover)  
 ISBN 978-967-5997-90-7 (Softcover)  
 1. Economic assistance. 2. Economic development—Planning. I. Title.  
 338.91

Printed in Malaysia by  
 MPH Group Printing (M) Sdn Bhd  
 No.31 Jalan 2/148A  
 Taman Sungei Besi Industrial Park  
 57100 Kuala Lumpur, Malaysia

# Dedication



Our Prime Minister, Y.A.B Dato' Seri Mohd Najib Tun Abdul Razak, inspires me. The ambition of our economy achieving high-income status by the year

2020, the two strategic thrusts of the Economic and Government Transformation Programmes,

based on the premises established by the New Economic Model and supported by the 1Malaysia initiative all are no less than visionary. Dato' Seri Najib's determination and passion are evident in his written words, actions and expressed thoughts. I am privileged and honoured to be in close enough range to receive such inspiration.

I have no doubt history will judge the first two years of Dato' Seri Mohd Najib's administration as a watershed point in our history. When the seeds of great economic growth were first planted, giving us a future of profound prominence and prosperity. It is in this future that I want to see Malaysians from all walks of life, from all races, to live together benefitting from a developed economy, securely and joyously.

I have been fortunate to have had the opportunity to meet people from all walks of life. I met a young Malaysian girl working on the sales floor of a Dubai bookstore. It saddened me to see we are now exporting low-skilled workers, those who seek higher salaries so that they have enough to save for a better future. And quite recently, on a train back from Kuala Lumpur to my constituency in Ipoh, I met a 21-year-old aspiring fashion

designer who was without the gift of speech. Somehow, we managed to communicate and I got to know the circumstances of his life. He was worried if he could earn enough to support himself.

These stories and many others like theirs, related to me by so many people, moved me. It is imperative that we expand the economic pie. We must ensure that economic growth serves to benefit all Malaysians, especially for the unfortunate and the underprivileged. Together, we can be the best that we can be.

The journey to my current position would have been harder if not for the generous patience of my wife, Fauziah, my children, Khalid, Maria, Zaid, Uzir and Mohamed. My days and nights are brightened by the light of my grandson, Ashraf Daniel. While I dedicate this book to them, it is to Allah S.W.T. that I dedicate my life to.



# Contents

## INTRODUCTION

### CHAPTER ONE - *Lessons from the Global Crisis*

- 3 Learning from the Economic Crisis
- 7 Emerging Stronger from Crises
- 14 ASEAN Beefs Up Its Financial System
- 19 A Different Approach: Managing Financial Crisis
- 21 Putting Management Skills to the Test
- 24 Young Business Leaders Driving the Asian Vision

### CHAPTER TWO - *The New Economic Model*

- 31 Towards the New Economic Model
- 36 New Economic Model – Value Chain Transformation
- 41 A New Paradigm – Rising to the Challenges
- 45 What 1Malaysia Means Economically
- 52 Change We Must
- 56 Laying the Foundation for Malaysia's New Economy
- 60 Malaysian Banks Need to Build New Capabilities
- 65 Financial Services Sector to Double by 2020
- 70 My Vision of Malaysia Goes Beyond 2020

### CHAPTER THREE - *SMEs and the Creative Economy*

- 85 Everything Begins with a Dream
- 88 No Country Can Monopolise Creative Economy
- 92 Unlocking SMEs' Potentials
- 95 Malaysia in Need of a Country Brand
- 98 Financing Creativity
- 102 SMEs Not a Shortcut to Wealth
- 104 Malaysia's SMEs: A Remarkable Story
- 106 Cooperatives as a Mechanism of Change

### CHAPTER FOUR - *Islamic Finance at Its Best*

- 113 Powering the Heart of Malaysia: Islamic Banking's New Frontier
- 118 Malaysia's Islamic Finance on Robust Footing
- 123 Malaysia as an Islamic Financial Hub
- 126 Instilling Innovation in Islamic Finance
- 131 Islamic Finance is for Humanity
- 134 Islamic Insurance is for Phenomenal Growth
- 138 Strong French Commitment in Islamic Finance



	<b>CHAPTER FIVE - <i>The Moral Economy</i></b>
143	Prosperity Through the Moral Economy
146	Let's Reject Corruption in Business
151	Protecting Life's Basic Amenities
153	Liberalising the Malay Mind

	<b>CHAPTER SIX - <i>Other Economic Issues and Concerns</i></b>
161	Bracing for the Construction Industry's New Challenges
165	Home Ownership a Must for All
168	Saving Precious Lives via Public Transport
172	Private Equity Up for Grabs
176	Global Power Shifting Right Now
180	Within Sight of Malaysia's "Pot of Gold"
183	High Premium on Malaysia-Indonesia Ties
186	Delivering Services with Transparency & Accuracy in e-Procurement
190	Southeast Asia's Largest IPO
192	GST: Roadmap to Malaysia's New Taxation System
194	Outcome-Based Budget the Better Alternative
196	Heavy Investment in Human Capital Paying Off
200	Reassessing the Value of GLCs
205	The Power of Education
209	The Awesome Task of Tax Collection

## **GLOSSARY OF ACRONYMS**

## **INDEX**

