

57th APO Workshop Meeting of Heads of National Productivity Organizations
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Inaugural Address
Second Minister
International Trade and Industry
YB Dato' Seri Ong Ka Chuan

Tan Sri Azman Hashim, APO Director for Malaysia and Chairman of the Malaysia Productivity Corporation (MPC);

Dr. Santi Kanoktanaporn, Secretary-General, Asian Productivity Organization (APO);

Distinguished Heads of National Productivity Organizations (NPOs), APO Delegates, and Observers;

Dato' Mohd. Razali Hussain, Director General of the MPC; and

Ladies and Gentlemen:

Let me extend a warm welcome and *Selamat Datang* to all of you. It is a privilege and honor for Malaysia to be hosting this meeting for the fifth time.

Productivity is a buzzword today in both governments and the corporate sector in many countries as they seek to be competitive and grow their economies.

Productivity has been identified as a crucial game-changer in the 21st century economy. The “Fourth Industrial Revolution,” even in its current early stages, is already beginning to alter the way we work, live, and interact with each other. In order to embrace the Fourth Industrial Revolution, productivity organizations have a crucial role in ensuring that all factors are optimally used to achieve productivity gains.

As the leading mover of productivity in your respective countries, you have the unenviable task of raising productivity levels to enable your economies to be more competitive. This gathering of heads of NPOs provides an opportune occasion for all of you to take stock of where we are in terms of our achievements.

Ladies and gentlemen, I would like to share with you today three practices that are imperative for NPOs to adopt. First, productivity organizations must always think outside of the box. They must be creative and innovative and be constantly on the lookout for new ways of doing things. In this competitive world, the “business as usual” adage should no longer apply. To meet the current needs of our economies, productivity organizations must be ready to abandon traditional ways and try out new methods to boost productivity. This also extends to new methods of measuring productivity gains, be it in the public or private sector, in industry or governmental organizations, and at the industry or individual firm level.

Second, productivity organizations must constantly benchmark with the best productivity measures introduced by successful organizations. Too often we tend to benchmark with

productivity organizations of countries that rank below us. This may make us feel good but we will never improve ourselves or keep up with the best.

The third is the constant sharing of best practices. Doing things differently does not mean that we always have to create new measures. Sometimes it suffices to take measures by other organizations and adopt them to local situations. As the NPOs meet regularly, there is ample opportunity for the sharing of best practices. I would go further and suggest that the APO think seriously of creating a website that can serve as a bank, where we can deposit best practices and make them available for others to emulate.

Talking about best practices, let me share what Malaysia has been doing to raise productivity through the adoption of the Blue Ocean Strategy. The government has adopted the Blue Ocean Strategy in its effort to transform the country by creating an ecosystem that nurtures creativity and innovation. Our National Blue Ocean Strategy has enabled us to deliver high-impact projects that benefit the people of Malaysia quickly in the most efficient and cost-effective manner. This strategy is executed through the collaboration of more than 80 ministries and agencies.

In addition to the Blue Ocean Strategy, Malaysia has also embarked on Good Regulatory Practices (GRP) as a strategy to create a conducive business environment to promote foreign and domestic investments and to boost trade.

In 2014, the National Policy on the Development and Implementation of Regulations as part of the GRP initiative was enforced. Under this policy, all newly introduced and amended regulations are subject to Regulatory Impact Analysis (RIA) as evidence-based decision making with more structured and systematic public consultation. To date, 154 regulatory notifications for regular renewals have been submitted by ministries and agencies. Out of these, 73 are required to do the RIA and 20 were completed and submitted.

The implementation of GRP in Malaysia has resulted in:

- The completion of 23 Reducing Unnecessary Regulatory Burdens projects with potential cost savings of RM2.5 billion covering various key economic sectors;
- Cost savings of RM729 million through reengineering of 767 business licenses;
- Removal of 29 unnecessary business licenses;
- Simplification of cumbersome and bureaucratic procedures involving 454 business licenses; and
- Automation in the issuance of 217 business licenses for companies to operate more efficiently.

In Malaysia, raising productivity is vital if we are to realize our goal of becoming a high-income developed nation by 2020. The government, in the 11th Malaysia Plan, has set a target of average productivity growth of 3.7%. To help achieve this target, Malaysia is already focusing on areas such as improving productivity, enabling innovation, especially

in SMEs, transforming manufacturing services, and enhancing automation and digitalization to increase efficiency.

Under the 11th Malaysia Plan, we have started to formulate the Malaysia Productivity Blueprint (MPB). The government is working closely with experts and industry players in finalizing the MPB. The MPB is a document to address issues and challenges in productivity in a holistic, cohesive manner. It consists of improvement strategies, initiatives, and programs at national, industry, and enterprise levels.

It is also important to note that our future productivity growth is highly dependent on the capability of the workforce to innovate and apply advanced knowledge and technologies. I believe that this also applies to other APO member countries whereby the issue of human capital development through higher quality education is critical in achieving long-term sustainable growth.

I am confident that the APO will continue to play an important role in connecting people to raise productivity levels. I wish all of you a fruitful meeting and a memorable stay in Kuala Lumpur.

Thank you.