

I have been increasingly asked the same question by journalists, fund managers, political analysts and others interested in the future of Malaysia. They ask me what my vision is for Malaysia. My vision for Malaysia is Vision 2020. Anybody who has read the nine strategic challenges of Vision 2020 will find it difficult not to subscribe to its goals. It is holistic, progressive, modern and yet rooted in what is uniquely Malaysian; it pushes our country towards development and prosperity, yet calls for advancement to be tempered by justice, values and compassion. Dr Mahathir's vision has become my vision and the vision of all Malaysians - we need not dream another dream.

The more interesting question that people should be asking me, and one other, is how do we get there? We see our destination, but our road map has yet to crystallise. We know what we want to be, but we are uncertain how to become. We want to be a fully developed economy, but the global economy - to which we are greatly dependent and exposed - becomes more volatile and unpredictable.

There can be no room for wishful thinking or complacency; our success today does not guarantee success in the future. We cannot plan as if the future will unfold in a linear manner.

If we are going to realise Vision 2020, we must compete for it and work hard to achieve it. It will require changes in the way we do things and in the way we manage our country. It necessitates a more heightened level of commitment from all segments of society. It calls for sacrifices from all communities and courage to see beyond our respective communal prisms.

In an increasingly globalised world, competition will come to us even if we do not seek it. We will have to compete for investments, for markets and for ideas. What we consider today as factors that enhance Malaysia's competitiveness are increasingly being provided by other countries.

We must move up the value chain. We have invested heavily in laying the foundations for a competitive Malaysia. Nowhere is this more evident than in the physical infrastructure that we have built. In the last 15 years, we have developed a system of highways ports and airports that is world-class. In the Eighth Malaysia Plan from 2001-2005, we have set aside RM21 billion to further improve our infrastructure from laying new roads, to enhancing the connectivity of our ports and bringing more amenities to the rural areas.

The Multimedia Super Corridor (MSC) is one of the world's first integrated environment for multimedia. It was planned as a vehicle to attract world-class technology companies, a platform for producers of cutting-edge multimedia applications and a test bed for research and development. The Kuala Lumpur International Airport was also built with global ambitions. We wanted it to be a regional hub for passenger and cargo. The port of Tanjung Pelepas was similarly positioned as the region's leading trans-shipment hub.

We have planned well, but have we been able to execute effectively? While there have been successes, there are equally as many examples of projects that have not yet taken off. Some have not realised their potential - and show little prospect of doing so. Some are growing sluggishly, with low utilisation rates. Some have even become too embarrassing to mention.

If we are to successfully compete for tomorrow, we need to understand that being world-class does not begin and end with building world-class facilities. We need, above all else, world-class management and working practices. Investors have become more discerning. What distinguishes one country from another is not merely labour cost or physical infrastructure any longer. It is increasingly going to come from other sources. Innovation, productivity, service and efficiency are all potential hidden benefits of doing business in a country. Conversely, the lack of these factors may incur high hidden costs, thereby eroding our competitiveness even further.

What will continue to make a difference is the human factor. There are countries that have no natural resources to speak of, which have successfully positioned themselves as producers of fine finished products and providers of value-added services. They understood their limitations and worked around them. On the other hand, there are also many countries with abundant resources - with fertile land and vegetation - which have not been able to transform this natural advantage into a competitive advantage. What makes the differences is the human mind and whether it is capable of creating wealth and value, even under great constraints.

The way I see it, the malaise affecting Malaysia that may well jeopardise our way forward is a case of having first world infrastructure and third world mentality. From poor execution and inept management to shoddy maintenance and appalling customer service, Malaysia is in danger of possessing the hardware but little software.

The mentality affects the public and private sector, as well as society in general. In the public sector, it manifests itself in layers of bureaucracy that impedes effective delivery. In the private sector, it is evident in low services levels and the lack of global best practices. Socially, we lack the quality of civic virtue - an indispensable value that ensures shared responsibility for our community.

If you operate a hotel in Malaysia, you need approximately 64 separate approvals every year from multiple agencies. Surely this can be streamlined? We are also aware of excruciating delays at the land office with six months or more being the norm for a simple approval for the transfer of land. You can imagine what that does to the liquidity of private assets. Loan documentation in Malaysia can take months, when international benchmarks are measured in days. These are some of the unseen costs of the Malaysian economy that a new cabinet committee on

competitiveness which I chair will be focusing on rectifying.

Gone are the days where our success stories are bloated and leveraged conglomerates with natural monopolies and big concessions. If we are to survive and succeed, we must reach beyond our borders and demonstrate that we are able to meet global standards.

In order for Malaysia to move forward, there needs to be a change in how stakeholders are positioned. Today, individuals are seen as a labour base. Corporations are insulated in a paradigm of local competition. And the government acts as an administrator. Competing for tomorrow will mean significant changes in these roles. Individuals will form a knowledge base that rewards excellence and is increasingly judged on merit; corporations must embrace global competition and therefore be customer focused and quality driven; and the government will move to become a facilitator that is service oriented, efficient and proactive.

We must also address some key concerns that cannot be ignored or set aside. The first that comes to my mind is corruption and the abuse of trust. This happens both in the public and private sectors. It is perpetrated by Malaysians of all races. We regularly hear anecdotal evidence about someone who has

been asked to pay a bribe. Again the problem is effective management. In this case it is enforcement. Malaysia has among the most stringent anti-corruption laws and codes for corporate governance. But creating a tough framework is not sufficient if we are unable to empower legislation with enforcement.

Secondly, we must respect property. Malaysians have yet to see property in terms beyond what they privately own. We are notorious for not respecting intellectual property. Piracy of music, film and software are still grave concerns. Again the problem is both enforcement and complicity of the public.

Our greed and ignorance continue to drive us to despoil our God-given natural resources. Our forest and rivers - once abundant sources of sustenance and wealth - continue to be destroyed and polluted. This irresponsible behaviour does not come without an economic cost. For every river that needs to be cleaned, for every landslide that needs to be cleared, taxpayers' money must be spent. This "ugly Malaysian" disposition demonstrates the lack of civic virtue in our society.

Third, we must abandon the notion that the government owes us a living. It is this mentality that breeds dependency and promotes rent seekers. When the government is seen, not as a facilitator of business

but a provider of contracts and concessions, genuine entrepreneurs will be crowded out by commission agents with "know-who" abilities and not "know-how" talents.

A more competitive economy cannot afford to continue to absorb unproductive economic rents. Hence, we must now make sure that re-distributive justice is carried out on the basis of identifying genuine need, and that opportunities are given to those with value-added potential.

Realising Vision 2020 requires us to push ourselves in ways we have never imagined. It requires us to come to terms with our shortcomings, honestly and openly. We must not hide behind the exuberance of short-term successes, or inflate our self-importance.

What I have outlined today is by no means an exhaustive list of some of the challenges that lie ahead for us. I have attempted to offer examples of where we can improve and what we can do. But the key message that I want to reiterate is that without changing our mindset, attitude and mentality, we will not usher in the future that we envision. Building a better Malaysia means being better Malaysians. If we cannot step up to this challenge, we will almost certainly be poor Malaysians - left behind.