

## **Report on the Forum on the 1<sup>st</sup> stage of the New Economic Model (NEM)**

**Date** : Tuesday, 13 April 2010.

**Time** : 2:00 p.m. – 6:00 p.m.

**Venue** : Seminar rooms 1&2, Wawasan Open University, KL Regional Office.

### ***Welcoming Remarks by:***

#### **Tan Sri Ramon Navaratnam, Chairman, Centre for Public Policy Studies**

- Most important and timely forum
- The PM and the government deserve our salutations for the determination to remove the cobwebs
- Vital corrections needed to improve shortcomings in the old economic model
- High income + productivity (basic pre-requisite is meritocracy)
- Technology + Innovation by revamping the whole education system
- Inclusiveness by rejecting 'ketuanan' concept and rejecting corruption
- Sustainability by looking away from mere elections but produce statesmanship rather than political gimmicks
- Conclusion: Let us move from the 1<sup>st</sup> stage to the 2<sup>nd</sup> stage of the NEM

### ***Keynote address by:***

#### **Tan Sri Dr Koh Tsu Koon, Minister, Prime Minister's Department**

- We are at a threshold, a very important caveat after 53 yrs of independence and trying period of nation building
- In hindsight, made progress but also created quite a number of problems
- Time of reckoning and time of review
- Time of transformation to go ahead
- NEAC + expertise + business community + cabinet members
- Deep dive in 2 sessions by the cabinet done by chairman of NEAC
- Sustainability includes institutions of national interests
- PM Najib said it is not business as usual

- NEM=ETP
- Public exhibitions much to the delight of the public (first time in history)
- More 'public feet' on the streets – retrained RELA officers, police personnel
- Transform framework of the NEM by having meeting at least 1 hour per month
- Whatever can't be measured, can't be managed
- Political will is important to drive things through
- He gave examples of widening social income gap. Therefore, the NEM must address the needs and merits together.
- How we address the challenges of inclusiveness and competitiveness will be the major task.
- Conclusion: GTP and ETP closely intertwined although separate pillars, due to crossbeams linkages.
- Exciting, extremely challenging and demanding, whether our system can take it. It is now or never, this window of opportunity, mission for everyone.

### **Session 1: Enhancing Economic Competitiveness and High Income Economy**

#### **Datuk Nicholas Zeffreys, President, American Malaysian Chamber of Commerce**

- Talks about PEMUDAH taskforce, clearly ease business
- There is no silver bullet. No one element but all components need to be addressed wholly
- 40% of Malaysian population living under RM1,500 a month
- another 40% living RM2600-RM2700 a month
- 20% living skyrocketing
- Geeks and geezers
- Compelling country to live, not just career, but family and future generations' aspiration

**Datuk Dr R Thillainathan, Past President, Malaysian Economic Association; Council Member, Wawasan Open University**

- Malaysia will languish if we do not execute proper implementation of NEM
- The past policies need to be reviewed and taken appropriate actions so that we can correct the past mistakes to improve for the future

**Mr Aimi Aizal Nasharuddin, President, Co-founder & Group Exco, Skali**

- How to achieve economic velocity
- Cannot based on retail based.
- Cannot increase population, therefore increase margin
- Transform from a buyer economy to a seller economy, by putting a value to it, not retail based.
- In order to create opportunities, we must make more mistakes, but 'smart' mistakes, which can be measured.
- A change of mindset is important.
- Education is vital, to instill in our workforce, not just getting a job.

**Mr Teoh Kok Lin, Founder, Chief Investment Officer, Singular Asset Management Sdn Bhd**

- Case-based studies acknowledged problems, not just finding the solution
- Mindset change still the key factor in implementation
- Gave a few examples of stock market tradings scenario demonstrating some of the problems shareholders face in marketing stocks

**Dato' Dr Michael Yeoh, CEO, Asian Strategy and Leadership Institute**

- Where are we going to get the money to double our income as envisaged by the NEM?

**Datuk Nicholas Zeffreys** said management is terrible in Malaysia.

**Datuk Thillainathan** said meritocracy is still the key to transformation to high income.

**Teoh Kok Lin** said companies must hire the best, even if it meant foreigners like Singapore to enhance competitiveness.

Question 1: Political will?

Question 2: Human capital

Question 3: NUBE – high income concerns by trade union

Question 4: Manage what you have properly rather than dream of becoming what you have properly

**Datuk Nicholas** said we should not adopt a ‘hammer and nail’ policy and not penalize Malaysians who are living abroad; rather view them as an important tool in social networking in the international context

## **Session 2: Developing Creativity and Innovation, Rethinking Human Capital Development**

### **Mr UK Menon, Deputy Vice-Chancellor, Wawasan Open University**

- TED: Video about Chinese students learning English.
- Must have will of the people, like China.
- Disastrous exodus as evident by 500,000 Malaysians working overseas whereby 50% of them have a tertiary degree.
- Do not disturb the fundamentals of quality and fair education. “Let a thousand flowers bloom.”

**Prof Norma Mansor, Secretary to the NEAC, Former Dean of Economics, Universiti Malaya**

- Creating the right environment and nurturing innovation
- Need to review our funding mechanism
- Depressed wages problem, brain-drain problem
- Talent management, universities should grow their own talent, proceed with own funding (something like Ivy League universities)
- Embracing talent by the Higher Education Ministry to attract foreign talents

**Datuk Dr Denison Jayasooria, Member of National IT Council, Principal Research Fellow, UKM**

- Addressing the fundamental issues vital to address socioeconomic gap.
- NEM is more than macro/microbusinesses, it is not just economy per se. It sets pointers towards Vision 2020 but it is about tolerating divergent views, tolerating views.
- Until and unless they are opening up and addressing the reality, Malaysia will not move forward.
- Ensure quality education, public and private education.

**Tunku Alizakri Raja Muhammad Alias, Deputy Director, Strategic Management Department, Bank Negara Malaysia**

- Definition of talent?
- Hire people who are curious, who are questioning, for their aptitude and attitude.
- Engage Malaysians and create attachment with the world, not just Malaysians.
- Have clarity of thought.
- Talent cuts across age.

Question 1: Differentiate skills and talent

Question 2: A linear projection is rubbish. A radical approach is needed.  
Worst scenario, if we don't achieve the goals stated in the NEM

Question 3: Basic educational issues, more emphasis given to science and technology

Question 4: Reform in teaching institutions

Question 5: Malaysians still can be based locally here by exporting 'brains' overseas

Question 6: Double standard by policies of the government

Politics must be set aside. In the end of the day, we still need statistics based on ethnicity or gender or subsector groups because within non-disaggregated data, we cannot see the 'real' disparity.

We should give this plan a chance, as a chance is better than no chance at all.

Humility and openness to listen to all parties.

Anwar Ibrahim said NEM is like MEA, he likes the NEM document, so the question of a change in government does not arise as this NEM blueprint is done by a group of professionals.

The job of NEAC is to give the government advice. There is nothing more that they can do if the government refuses to listen. But it is also about the people's will. Plans in the pipeline:

- Upgrading of skills
- Multi-tasking

***Closing remarks by:***

**Dato' Mah Siew Keong, Chairman, SEDAR Institute**

We are at a crossroads, we either sink or swim, and we cannot be trapped in the middle income trap. Political will is important to execute implementation.