



**CLOSING REMARKS BY YABHG TUN DR MAHATHIR BIN MOHAMAD
FORMER PRIME MINISTER OF MALAYSIA &
HONORARY PRESIDENT OF PERDANA LEADERSHIP FOUNDATION**

**AT THE PLF SME LEADERS PROGRAMME 2023
ON 13TH JULY 2023 (THURSDAY) AT 4.30PM
AT PERDANA LEADERSHIP FOUNDATION, PUTRAJAYA**

“TRANSLATING VISION INTO ACTION: LESSONS FOR BUSINESS LEADERS

1. I would like to thank the organiser for inviting me to deliver the closing address titled: ***Translating Vision into Action: Lessons for Business Leaders.***
2. First of all, I would like to congratulate all the business owners in the audience for your courage in starting your business. It is not easy to make the decision to leave the safety of a job in exchange for the risk and uncertainty of business.
3. If you have risen above the odds and made it beyond the first few years of your business, and if your business survived the recent pandemic, then you can consider that you have arrived.
4. It had been said that in some ways, managing a nation is like leading a business organisation.
5. Indeed, during my years as the Prime Minister, the concept of Malaysia Inc. or Malaysia Incorporated was frequently bandied.
6. While it did not truly turn the nation into a business entity, it was a reflection of how the Government at that time worked closely with the private sector in efforts to industrialise the nation.
7. To my mind, while it is the Government’s role to govern and shape the direction of the nation, what better way can we achieve our objectives than by turning to the experts, the people who are in the field.

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8. It was a successful venture – the private sector played a major role in the industrialisation of the nation. Within 10 years of the venture, it turned Malaysia from a resource-dependent economy and an agrarian entity into an industrialised nation - earning us the NIC status, a newly-industrialised country as well as tagged as an Asian tiger.
9. There are some functions of government that are similar to business: marketing the country to investors, coordinating the civil service and government agencies, and calculating the numbers to ensure we were not in the red.
10. The scale and size are, of course, different. A country's objectives are also different than that of a business.
11. A business's over-riding goal is to turn a profit for its stakeholders. It may have other social objectives but if a business is loss-making, it will not survive for very long and neither can it pursue its social responsibilities.
12. However, for a Government, it has to balance the economy and the wellbeing of its citizens: health, education, wages, job opportunities, and security.
13. While providing all these to the citizenry, the Government has to ensure that the nation's economy is stable and preferably sustainable.
14. However, some of the Government's decisions are not necessarily economically prudent as its considerations, first and foremost is the well-being of the citizens, extending subsidies for example.
15. Further to that, wealth must be fairly distributed, opportunities must be created, the public must be made to feel secure, public service need to be well-oiled and efficient, living conditions and standard of living need to be progressively improved and so forth.
16. No doubt, looking at the list, it is the well-being of the economy that ensures all these could be achieved and sustained but it is not a zero-sum game, as priorities affect the management of the economy and at times goes against conventional economic wisdom.
17. However, I am glad to note that in our pursuit to industrialise Malaysia with privatisation and private sector as the driving force, we managed to achieve double-digit growth and became a model nation to other developing countries.
18. There are of course critics to these strategies. But I guess the figures reflecting our growth then are testimony to its successes.
19. However, today, despite the successes of the strategy, Malaysia lags economically.

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20. Critics of today choose to blame some of the past policies. Well, it is not something unexpected.
21. As the saying goes, success has many fathers and failure is an orphan – when the nation was standing in the eyes of the world – everyone wanted to have a part of it. But when it crumbles, fingers are pointed and someone needs to be blamed.
22. So what went wrong?
23. It is simply a refusal to follow a roadmap or a vision that had produced results.
24. Of course such vision is not cast in stone but if it has proven to be successful why fix it, why is there a need to discard it.
25. Tweak it and add new variants but not to the extent of changing it wholly merely because someone ones to make a mark and bury someone else’s legacy.
26. Truth be told, the success of a nation is the legacy of everyone and ensuring that it continues would be a bigger success.
27. I am sure that all of you who are in the private sector know that propelling a company to success is just one half the struggles. Sustaining the success and propelling it to greater heights is a much tougher task. It could be made easy if the earlier strategies and policies are observed and pursued.
28. Back to the title of my address: Translating Vision Into Action – Let me again share my experience in managing the nation.
29. The younger generation needs to be reminded that in the early ‘80s, Malaysia was reliant on raw commodities and low-level manufacturing.
30. It was a low-income third-world nation with a very small middle class. So a vision was developed for Malaysia to become an industrialised economy within a decade, and to become a fully-developed nation by 2020.
31. This vision was articulated to the cabinet, the civil service, and the nation. Because of its clarity as well as its bold ideas, people started getting excited by the vision.
32. The various agencies of government worked with the Prime Minister to draw up the plan to realise the vision, and the private sector soon inundated us with ideas and proposals aligned to make this vision a reality.
33. From the leader’s vision, it became the national vision for Malaysia with buy-in from the government, the private sector, and the rakyat.

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34. A bold, clear vision that is well articulated will excite and inspire action. It will co-opt the important people you need to help move you closer to that vision. For a business, this will be your staff, your investors, and your customers.
35. In Malaysia's industrialisation drive, we formulated the Industrial Master Plan and the Five-Year Economic Development plans to push forward industrialisation.
36. With all this roadmap, the next step is to execute it. But before it can be executed, we needed to have good infrastructure in place. Road transport was crucial for the growth of our industries. So we planned the construction of the North-South Expressway, connecting Johor Bharu in the south to Bukit Kayu Hitam in the north, totalling more than 770km.
37. The project was conceived as early as the late 1970s but because the cost was staggering, the government shelved the project. We could not move forward because the government did not have the funds or the resources to construct such a huge project.
38. It was in the early '80s that the idea of having the private sector construct the highway was conceived. The government could provide the land for the highway construction but it did not have the funding where the private sector had access to funds and other resources necessary for the project.
39. So the government partnered with the private sector to build the highway. To reduce cost and lower toll rates we provided the land and the regulatory backing, while the private sector secured the financing and undertook the massive construction, with the promise of being able to recoup their costs through tolls to be charged to motorists.
40. The North-South Expressway was successfully completed in 1994, and along with the direct boost to industry, it seeded many new developments along its route, with new towns opening up, new businesses established, and many new jobs created. There were additional growth effects from the highway that contributed to our high economic growth rate in the 80s and 90s. The company made profits and 28% of the profit went to the Government by way of corporate tax.
41. The public-private initiative to construct the infrastructure was the first the government undertook on such a big scale, and as stated above it paid off handsomely.
42. So, often, in devising an action plan, one needs to be creative and innovative at solving problems when the conventional approach is not feasible. But most important is being decisive and having the conviction for the actions taken.
43. There were derailments further down our development journey, as many of you well know. The biggest was the 1997-98 Asian Financial Crisis. We would have been further

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crippled if we had taken the conventional prescription of monetary tightening, interest rate hikes and austerity budget.

44. It would have bankrupted both big and small businesses, apart from seeing much of our national assets sold to foreign interests as we witnessed happening to our neighbours which faced the same crisis.
45. We instead took the path not yet trodden, which was to fix our currency against the US dollar and to set up a national body to handle bad debts. As a result, our economy was insulated from the full effects of the crisis and rebounded sooner.
46. It was not an easy decision to make, especially as no other country of similar economic size had ever made that choice. But the decision turned out to be the right one for Malaysia, and even the IMF and the World Bank eventually acknowledged this.
47. What was more important to me was that we saved many of our people who would have lost their businesses, big and small, employment, homes due to higher loan repayments, losing their credit worthiness from their bad debts and non-performing loans et cetera, et cetera.
48. I remember how heart warming it was then when ordinary people, mostly small businessmen, came up to me and thanked the Government for taking such measures which saved them from a life-time of debts and being impoverished.
49. I have shared some of the general principles of translating vision into action and the pitfalls and setbacks that are unexpected that may derail you from your pursuits. Fixing targets or having visions is easy but knowing how to achieve the visions is more important. Without this knowhow visions will remain just visions.
50. I hope some of these thoughts I shared have some relevance to whatever your ventures may be.
51. With that, I end my speech and I would be happy to answer any questions you may have.

Thank You.

