

**SPEECH BY**

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**PRODUCTIVITY & COMPETITIVENESS FORUM:  
"FOSTERING A SUSTAINABLE CULTURE OF  
PRODUCTIVITY AND INNOVATION"**

**&**

**LAUNCH OF  
SEJAHTERA MONOGRAPH:  
"DRIVING PRODUCTIVITY GROWTH THROUGH SPCI -  
WHY VALUES MATTER?"**

**24 AUGUST 2023**

**HYBRID**

**IIUM GOMBAK & FB LIVE**

**Yang Berbahagia Prof. Emeritus Tan Sri Dato' Dzulkifli  
Abdul Razak**

Rector, International Islamic University Malaysia (IIUM)

And

Chairman, Jawatankuasa Pembudayaan Produktiviti,

Ahli Jawatankuasa Pembudayaan Produktiviti,

Officers & Secretariat of Jawatankuasa Pembudayaan  
Produktiviti,

Ladies & Gentlemen.

Assalamualaikum and *Salam Produktiviti*

## **MADANI ASPIRATIONS TOWARDS HIGHER ECONOMIC PRODUCTIVITY AND COMPETITIVENESS**

1. I am honoured to be here in the program – Productivity and Competitiveness Forum: “Fostering a Sustainable Culture of Productivity and Innovation” and the launch of Sejahtera Monograph: “Driving Productivity Growth Through SPCI - Why Values Matter?”, where the theme supports Malaysia’s Ekonomi MADANI aspirations. These include higher

competitiveness for a more robust and sustainable economic development, to enable businesses to prosper, and the *rakyat* to enjoy a better quality of life.

2. Another key MADANI target is for Malaysia to be listed in the top 12 in the World Competitiveness Ranking within the medium- to longer-term, as well as an increase of labour share of income to 45%.
3. How can MPC support these targets? Malaysia's economic growth and global competitiveness hinge on enhancing productivity, as well as focusing on highly productive economic activities across all sectors, including industry, trade, and investments. The level of productivity, in turn, determines the level of prosperity that an economy can achieve.
4. Paul Krugman, an esteemed economist, and a distinguished professor of economics once said, "Productivity isn't everything, but in the long run, it is almost everything." This is because with growth in productivity, an economy can derive maximum output from its resources such as raw materials, manpower and utilities.

5. But let's not forget that productivity alone is not enough. We must also embrace technology and innovation – the art of transforming ideas into tangible solutions. Technology and innovation are the bridge that connects our aspirations with reality. It is through technology and innovation that we solve the most intricate problems, seize emerging opportunities, and stay ahead in an increasingly competitive global landscape.

Ladies and Gentlemen,

6. Before I elaborate further on sustainable culture of productivity and innovation as a game changer for Malaysia's growth, let us first look at some current baseline data:

- a. **Firstly, based on the World Competitiveness Ranking (WCR) 2023, Malaysia ranked 27<sup>th</sup> out of 64 economies, up five (5) notches** compared to the previous year's position. This is a positive indication that the government's policies and interventions are on the right track.

- b. **Secondly, for the year 2022, Malaysia recorded a stronger-than-expected productivity recovery at 5.4%, with a value of RM95,628 created per**

**employee**, in line with our solid GDP growth of 8.7%. This surpassed the pre-pandemic 2019 performance, at 2.2%, and RM94,138 per employee.

7. **The improvement in Malaysia's productivity and competitiveness is welcomed.** Productivity growth in 2023 is expected to moderate at 3.0% amid continuous challenges in domestic and global economies. This means that **our productivity is growing at a slower rate and requires a huge effort to move the country out of the middle-income trap.**
8. **More needs to be done to boost Malaysia's productivity and competitiveness to improve the economy.** Under the recently launched MADANI Economy framework, one of the seven targets to be achieved is **for Malaysia to be listed in the top 12 in the World Competitiveness Ranking.**

## **FOSTERING A SUSTAINABLE CULTURE OF PRODUCTIVITY AND INNOVATION**

9. Today's theme, "Fostering a Sustainable Culture of Productivity and Innovation," holds the key to our nation's prosperity. To foster such a culture, we need to adopt a

multi-faceted approach that encompasses various dimensions:

- i. **Education and Skill Development:** We must invest in education and skill development to equip our workforce with the tools they need to thrive in the digital age. Continuous learning is the cornerstone of a productive and innovative society. By empowering our citizens with the knowledge and skills required for the jobs of the future, we ensure that our workforce remains adaptable and relevant.
- ii. **Collaborative Ecosystems:** Innovation thrives in collaborative ecosystems. We must strengthen partnerships between industry, academia, and the government. By fostering an environment where ideas can be freely exchanged, we stimulate creativity and drive collective progress. Let us break down silos and build bridges that enable seamless collaboration.
- iii. **Regulatory Reforms:** In our pursuit of productivity and innovation, we must also address regulatory barriers that hinder progress. Streamlined regulations and supportive policies can fuel entrepreneurship and business growth. Let us create an environment where startups and established enterprises alike can flourish, unburdened by unnecessary bureaucracy.

iv. **Sustainability as a Core Value:** A sustainable culture of productivity and innovation cannot ignore environmental and social considerations. Let us integrate sustainability into the very fabric of our endeavors. By doing so, we ensure that our progress is not only beneficial for the present generation but also preserves resources and opportunities for generations to come.

v. **Embracing Failure as a Stepping Stone:** Innovation is often accompanied by failure. We must shift our perspective and view failure as a stepping stone toward success. Failure is not the end; it is a valuable lesson on the path to innovation. By encouraging risk-taking and learning from setbacks, we cultivate a culture of resilience and perseverance.

10. As we gather here today, I am confident that the discussions and insights that will unfold in this forum will propel us toward a brighter future. Together, we can chart a course that embraces change, fuels innovation, and drives productivity. Let us harness the collective power of our intellect, experience, and determination to build a Malaysia that is not only productive and competitive but also sustainable and inclusive.

Ladies and Gentlemen,

11. I would like to take this opportunity to express my heartfelt gratitude and mark this event as a special occasion to honour 163 exceptional individuals from IIUM as Productivity Champions.
12. These people have worked extremely hard and come up with smart ideas that have helped our country become more productive and competitive.
13. But it doesn't stop here – it's my heartfelt belief that this well-deserved recognition will serve as a catalyst, fostering a thriving and productive community while planting the seeds of a proactive mindset among everyone.
14. Our ultimate goal is for our country to not only do well but to be the best. These Productivity Champions have shown us the way. Congratulations to our Productivity Champions – your journey is an encouragement for us all!
15. Therefore, I would like to extend my gratitude to all participants and organizers who have made this forum possible. Your presence and commitment are a testament to our shared belief in the transformative potential of productivity and innovation. Let us leave this forum inspired

and ready to take bold strides toward a future where productivity and innovation reign supreme.

**16.** Thank you, and let the forum begin!