PERSPECTIVES

Volume 5
May 2025

Yayasan Alumni PTD

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YAYASAN ALUMNI PTD
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Note From the Chief Editor

This is Volume 5 of Perspectives, an annual publication of the PTD Alumni. The articles in Volume 5 are quite varied in terms of selection of topics, content and style, making them, hopefully, interesting to read. We also hope that the mix of articles in this Volume will benefit our members, serving officers and researchers on Public Service.

The first article, 'Developing an Excellent Public Service: Some Recommendations for Consideration' is an abridged version of a memorandum submitted by the PTD Alumni to the Government. Using the characteristics of an excellent Public Service as the benchmark, the PTD Alumni felt that an excellent Public Service should have effective Vision and Mission Statements, clearly defined values, a good work culture and a Code of Conduct, good governance, transparent systems and procedures, regular institutional and organisational reviews and restructuring, and good leadership, An excellent Public Service must also be open, inclusive and responsive, and these are to be achieved through the effective use of advanced information and communication technology.

The next article, 'Ageing Blueprint for Malaysia - Input' is an abridged version of a paper submitted by the PTD Alumni to the Ministry of Economy for inclusion in its policy paper of the same name. We are an ageing society and Malaysia will be an aged nation by 2044 when 14% of our population is expected to be 65 years and more. Therefore, the government, non-government organisations and individuals must undertake the necessary changes to facilitate those ageing in their golden years. Among others, the PTD Alumni suggested the need for allowing people to work for as long as they can, ensuring policies and practices to facilitate healthy living and ageing, providing aged-friendly recreational and transport facilities, and enabling the aged to have adequate retirement savings. Those who still fall through the safety net will need the support from their families, government agencies and non-government organisations.

The third article, 'Caregiving: A Noble Service' delves into the important role of caregivers. Care givers include parents taking care of their sick or disabled children, spouses nursing their partners, children taking care of their parents and children or grandchildren taking care of their parents or grandparents. Some even sacrifice their careers to care for their parents or children. There are many sad cases where children become the caregivers and of caregivers who take care of people in the streets. Society must acknowledge these caregivers and the roles they play and provide them with their advocacy as well as emotional and physical support.

The fourth article, 'Whither WTO?' is timely given the current turmoil in the global trading system arising from the US Administration's policy to impose tariffs to achieve a balance in trade. The WTO, and its predecessor GATT, promoted multilateral trade liberalisation efforts in a rule-based system contributing to the expansion of world trade. The article focuses on the historical developments - from GATT to WTO - and the many rounds of negotiations to ensure fair trade practices. WTO allows for bilateral and multilateral agreements between and among countries. While the author suggests that there is no alternative to the WTO, the current US Government policies work against the very principles of WTO.

'ASEAN Outlook and Expectations', the fifth article, starts with a brief history of ASEAN, the challenges it faces in managing the changing and challenging trade and economic landscape and, finally, some points to consider in its journey to achieving the ASEAN Community Vision 2045. To achieve this Vision, the writer is of the view that ASEAN must, among others, remain neutral; improve on the ease of doing business; go for humane growth; focus on inclusivity, especially women; deal with and capitalise on digitalisation; and implement ASEAN institutional reforms.

'VUCA' World is Over, Here comes the 'BANI' World, the sixth article in Volume 5, focusses on the transition of the world environment from VUCA (volatile, uncertain, complex and ambiguous) to BANI (brittle, anxious, nonlinear and incomprehensible). The shift affects the government, businesses and society at large. Covid-19, climate change and global warming, the incessant wars, developments in ICT, especially in AI, and the speed with which these are changing is difficult to predict and their implications unfathomable. Several examples of events that were unforeseen are cited in the article. While VUCA calls for the 'need for adaptability and flexibility', BANI emphasises on the 'need for innovation and awareness of emerging trends'.

The next article, 'Understanding Artificial Intelligence' is timely as there is much discussion, currently, on artificial intelligence (AI), its applications and implications. This article is specifically intended for our older members to help them have some basic understanding of AI. The article starts with the definition of AI, some of the key terms associated with AI, its development over the years as well as examples of AI applications such as ChatGPT, DeepSeek and Gemini. While there are many benefits associated with AI, there are also many threats as well. There is a need, therefore, for good governance to ensure AI benefits the society.

The eighth article, 'Madani: Then and Now' discusses the evolution of the concept of 'madani' from its introduction in 1995 to now. There were different interpretations of the term madani. When introduced again, in 2023, Prime Minister, Dato' Seri Anwar Ibrahim, defined madani to mean sustainability, peace and prosperity, innovation, respect, trust, care and compassion. Dewan Bahasa dan Pustaka defined it in terms of three factors – thought/intellect, spirituality/moral principles, and material/economic prosperity. Incorporating developments since 1995, the author feels that 'masyarakat madani' should be defined as a society with moral principles, justice, rule of law and the Constitution, environmental sustainability, intellectual life and innovation, and peace and prosperity.

The final article, 'Formation of SPAN' or *Suruhanjaya Perkhidmatan Air Negara* traces the steps taken by the Ministry of Energy, Water and Communication to form SPAN after being given the water portfolio following the 11th General Election in 2004. Using their experience in setting up regulatory agencies for energy and communication, and a well-strategised plan, the Ministry was able to get the support of the State Governments and the Federal Government to amend the Federal Constitution to transfer water management from the State List to the Concurrent List to form SPAN as the national water regulatory authority, an idea that originated from their then Minister, the late Tun Lim Keng Yaik.

We wish to take this opportunity to thank all the contributors to this Volume 5 of Perspectives. We welcome the contributions for future Volumes of Perspectives.

Tan Sri Nuraizah Abdul Hamid
Chief Editor

CONTENTS

DEVELOPING AN EXCELLENT PUBLIC SERVICE: SOME RECOMMENDATIONS FOR CONSIDERATION

Alumni PTD

Introduction

The Administrative and Diplomatic Officers Alumni Association (PTD Alumni) is of the view that the Public Service can be considered as excellent when:

a. It fulfils its role in advising the government on policy formulation and implementing public policies, programmes and projects of the government;
b. It can work together with the political leadership as a team, in close collaboration, with mutual respect, in harmony and with a clear delineation of each other's roles and responsibilities;
c. It functions as the backbone of the government in operating an efficient and effective delivery system that fulfils its responsibility and accountability with integrity and ensures the fulfilment of the needs and expectations as well as enhances the respect and trust of the rakyat;
d. It works in synergy and in tandem with the corporate and private sectors to enhance the socio-economic growth of the nation; and
e. It has a good stature and is held in high esteem by the regional and global communities.

The PTD Alumni also believes that the country needs an excellent Public Service to enable it to go forward to become a developed nation. To achieve this, the Public Service must rise above and beyond its current status, abilities and capabilities. Towards this end, it must undergo a positive and major transformation. Incremental change will not be sufficient. Thus, strategic actions must be planned and undertaken to enable immediate reforms to be put in place to solve the existing weaknesses.

Vision and Mission

The Vision and Mission Statements for the Public Service are crucial starting points for its members to go back to basics, to understand, to appreciate and to act within their boundaries and be guided by the direction that both statements would provide. Thus, there is an immediate need to ensure that:

a. The Vision and Mission Statements are revisited and redefined to re- establish the Public Service as a clean, efficient and trustworthy institution, respected both locally and internationally and highly regarded for its professionalism.
b. The Vision and Mission Statements must be communicated to the entire Public Service to be understood and internalised to form the basis for all decisions, programmes and activities.
c. The Vision and Mission Statements are made known to the public in the spirit of inclusiveness and transparency and to shape their expectations of the Public Service.

Values, Work Culture and Code of Conduct

Values, good work culture and a proper code of conduct must be internalised by the entire Public Service to enhance the trust and respect for the Public Service. These include, among others:

a. The principle of neutrality that must be adhered to by all civil servants. They cannot be politically, religiously or racially aligned when delivering services.
b. Selection of candidates into the Public Service must be based on proper evaluation of their academic qualification, their character and personality traits to ensure those recruited have good universal values and moral aptitude.
c. All public servants must take an oath on being selected into public service, an oath that encompasses the good values, work culture and code of conduct expected of them. For those appointed into leadership positions, such as heads of Ministries, Departments or Agencies, the oath of office must also incorporate their commitment to the Vision and Mission Statements.
d. A clear and well-defined relationship between the Public Service and the government of the day is critical for good governance. Towards this end, a code of conduct is also recommended for all political appointees.

Good Governance

The long-term viability of a country depends on good governance, as well as comprehensive and conscious efforts to manage the often complex social, economic and political demands of a modern state. All holders of 'public office' are obligated to exercise the power entrusted upon them with utmost care to benefit those for whom they have a responsibility. Governance and integrity are the foundations for good administration and good management of social and economic resources in the public sector. Good governance in the Public Service is basically about a Public Service that delivers its services with integrity. Thus, we need:

a. To ensure that all enforcement agencies are independent and strong since investors look for stability of the government in the long-term to provide the continuity in policies and programmes.
b. To review current policies, rules and regulations pertaining to the conduct of business in the country with the focus on facilitating business creativity and innovation thereby providing more confidence to the business community and investors.

We need public servants who are professional, competent and of high integrity to ensure good governance. They will be responsive to the needs of the customers, be able to provide fast service, optimise the use of resources and, above all, deliver with integrity (guided by the rule of law, transparency and accountability). Thus, the following actions are recommended:

a. Select and place officers of high integrity to prevent leakages, abuse of power/positions, acts of corruption and downright incompetency, all of which have cost the country billions, not to mention the loss of growth opportunities and inefficient delivery of services to the public.
b. Each public servant must be held accountable/answerable to the public to deliver whatever that has been promised.
c. The public's needs are rapidly changing as the society becomes more mature, diverse, fragmented and complex. The Public Service needs to respond positively to these 'new situations' with new products and services.

d. Issues of corruption must be addressed immediately and with seriousness by the relevant authorities.

e. There must be a strong will and commitment by the government and the authorities in the Public Service to ENFORCE THE LAW on those who have committed any offence. The Head of the agency must carry the ultimate responsibility and accountability for any such offence committed by a staff member of his agency.

f. The principle of integrity must be instilled into the hearts of every public servant, especially those occupying the seats of power and the enforcers of government policies.

g. Senior officers, particularly controlling officers, are accountable and responsible to deliver whatever is promised to the people in the most effective and efficient manner. Thus, heads of Ministries, departments and agencies should:

    i. Stop the practice of taking on temporary and contractual staff.

    ii. Review all reports of the Auditor General to identify weaknesses and bad management practices in the public service delivery system, especially those that are repeatedly committed.

    iii. Have a clear delineation in the functions, roles and responsibilities of public servants and politicians to avoid conflicts, abuses and embarrassments. The government should approve a Public Service Act for this purpose.

    iv. Use ICT to improve efficiency and effectiveness apart from countering corruption in the delivery of services. The lack of transparency and delays provide officers with the space and opportunity arising from their 'prerogative' and 'discretion' to decide, leading to corruption. Extensive use of ICT will help to increase transparency in decision making and greatly reduce the opportunity for corrupt practices.

    v. Ensure proper and more extensive use of internal and external audits as well as management audits to enable greater accountability and transparency to prevail and provide for more effective control on finance, management and compliance with procedures.

Systems and Procedures

The Public Service has always been known for its systems and procedures to guide, monitor, and regulate its main functions, particularly in budgeting, financial processes, personnel administration and development planning. It has become imperative to ensure that such systems and procedures are not compromised in any way. It is therefore recommended that:

a. These systems and procedures be revisited and redefined in the context of new developments and the need to ensure a proper delineation of the administrative and political boundaries.
b. The revised systems and procedures incorporate developments in information and communication technology and new trends in doing business, such as through the Internet.
c. All current circulars governing the public service, especially those pertaining to Financial Procedures, be reviewed to ensure that they are still relevant, necessary, and effective in the current and future environment.
d. Procurement policies, methods and procedures must be reviewed to ensure transparency and cost-efficiency as well as avoid political intervention. Only open tenders should be allowed, with the evaluation and subsequent decisions to be made by the Tender Board so authorised.
e. The systems and procedures for a 5-year development planning that have been in existence for a long time should be revisited and a revised system and set of procedures for development planning should be put in place.
f. A formal interdepartmental coordination mechanism at a central agency level to plan and implement projects will act as a check and balance to avoid duplication in project implementation. In-depth consideration and analysis will help to avoid wastages and white-elephants.
g. Disciplinary action is taken against those who do not comply with systems and procedures as well as rules and regulations immediately and no breach should be considered too small. To be effective:
    i. Disciplinary actions must be immediate;
    ii. Procedures for disciplinary action must be simplified; and
    iii. The probability of being caught and the penalty must be high.
h. An effective reporting system where public servants can report any attempt to interfere with the systems and procedures by politicians or influential individuals be put in place.

Such reports should go to the heads of their Ministries, Departments or to the Chief Secretary to the Government and, when necessary, the matter can be brought to the attention of the Prime Minister.

Institutional and Organisational Review

We have a very large Public Service and this has become a burden of late due to our declining revenue. We recommend that:

a. A total review of the Public Service, preferably by an independent body, to decide which Ministries, Departments or Agencies can be abolished, merged or restructured to address the problems of duplication and overlapping, unnecessary or irrelevant functions.
b. Reduce the number and size of central agencies but increase the capacity of critical implementing agencies by redeploying excess staff from the central agencies.
c. Undertake a detailed review of the functions and activities of Ministries, Departments, Agencies before establishing new ones to avoid duplications.
d. Undertake a human resource audit of each Ministry, Department and Agency by independent teams to ensure that they have the right number of staff to avoid under-utilisation.
e. Review the need for Departments and Agencies to have offices at the state and district levels.
f. Local authorities are frontline agencies in the delivery of services to the public. However, not all of them are well-equipped in terms of financial resources and manpower. Being a closed service, employees lack career development opportunities. Yet, they are empowered with extensive authority, such as approving CF and a host of permits and licences resulting in a general perception that they are inefficient, lacking in transparency in their processes and are open to corrupt practices. It seems necessary that a Commission on Transforming the Local Authorities be established to:
    i. Undertake a comprehensive review of the structure and organization of local authorities;
    ii. Address the inadequacies, problems and the perception that people have of these agencies;

iii. Provide for better career development opportunities for its officers and staff in order to attract better qualified professionals;
iv. Review the economic viability of each local authority and the possibility of merger with others to be self-financing; and
v. Review their roles and functions vis-à-vis District Offices.

g. A review of the accreditation of Ambassadors and High Commissioners is also in order to ascertain whether:
   i. There is a need to have an Embassy or High Commission in every country;
   ii. An Ambassador or a High Commissioner should cover several countries as is the case with some countries; and
   iii. There is a need for each agency to have its own office in a country such as for Tourism, Trade, Education, and Immigration;

h. Reduce activities that are ceremonial in nature which result in excessive wastage in terms of resources – manpower, money and time.

i. Redefine and upgrade the status, role and functions of agencies like INTAN, the Public Complaints Bureau, and the Service Commissions which need to play an enhanced role in building a Public Service that is professional, effective and efficient with high moral and ethical values.

j. Review overlapping functions among agencies involved in helping the poor. Too many agencies are involved, leading to confusion and the lack of effectiveness in service delivery. It seems prudent to have one key agency to coordinate the services to the poor to enhance efficiency and effectiveness.

Leadership

Leaders who can inspire, guide and support those under their care are a prerequisite to develop an excellent Public Service. Among others, the following measures should be considered:

a. An immediate assessment be made of the current leadership of Ministries, Departments and Agencies to ascertain their suitability to continue in their positions.

b. Objective performance evaluation, targeted training and exposure to different experiences in multiple sectors is a prerequisite to ensure that those selected to lead

Ministries, Departments and Agencies are of high integrity, politically neutral, professional, qualified, trustworthy and are able to act without fear or favour.

c. There shall be no political interference in the selection and promotion of heads of Ministries and Departments as well as other senior staff members.

d. Recruitment and selection of officers into the public service must be based on merit and the principle of inclusiveness. Apart from the use of psychometric tests and academic qualifications, the final and main concern of the Public Service Commission (PSC) should be on the officer's character.

e. The functions, authority and power of the PSC must be revisited to ensure that they are performed professionally, even though some of the functions may have been delegated.

f. The Government should recruit the BEST, not in terms of academic qualification alone but in terms of attitude, aptitude and skills, from local as well as foreign universities. Instead of just waiting for potential candidates to apply to the PSC, pro-active steps should be taken to identify potential candidates and have offers made to them to join upon graduation.

g. The PTD service forms the backbone of the Public Service. For it to play its role effectively, it is necessary that:

   i. The best qualified candidates in terms of character, academic qualification, attitude, aptitude and commitment are selected.

   ii. They should undergo a one-year training programme at INTAN leading to a Diploma in Public Management to mould them into officers of high integrity, with positive attitudes and the ability to lead.

   iii. Subsequent leadership training for the PTD middle management level should ensure that officers are posted to work in several sectors of the administration to gain experience and exposure to ensure that they have an administration-wide perspective of issues and thus eligible to hold more senior positions and finally lead Ministries, Departments and Agencies. This is in line with the objective of having a systematic succession planning programme where leaders are developed so that we will have the right person for the right job at the right time.

   iv. INTAN must be provided with the necessary resources and capable trainers to accomplish these tasks. These may require a total realignment of its approach to professional training and training designs.

v. Immediate supervisors must provide on-the-job training and guidance to their subordinates at all levels in addition to training at external training institutions. Such training is an absolute necessity to develop the skills of the subordinates in their upward mobility.

vi. Officers must be assigned meaningful tasks that are commensurate with their qualifications, skills, knowledge and aptitude in order to develop their competencies to meet future task requirements. We cannot afford to waste valuable resources to undertake jobs that require lower skills.

vii. Officers must read widely, undertake training in related fields and engage themselves in related programmes to enhance their competencies since changes in information and communication technology and the advent of 4IR and the Industrial Master Plan require that all in the Public Service must be well-versed with these new developments.

Open, Inclusive and Responsive Public Service

The current environment of the Public Service is changing fast, both in terms of technology, the rising consciousness of the public as well as the increasing demands of the people. 4IR and the associated developments in information and communication technology have made it possible for the use of new methodologies to enhance efficiency and effectiveness in the delivery of services. These include concepts such as internet of things, cloud computing, big data analytics and artificial intelligence. The Public Service should understand and use them to improve service delivery. It is suggested that:

a. In line with our objective of having an inclusive service, serious efforts must now be made to ensure that the counter services reflect the multiracial composition of the population as well as to cater to the needs of clients consisting of the various races as well as the aged and those with physical disabilities.

b. Officers respond promptly to all enquiries and the heads of departments and key officers make themselves more accessible by having their contact numbers and e-mail addresses on the department's website. Positive and regular engagements with the public would enhance trust and faith in the Public Service and the Government.

c. An effective project monitoring system be in place to monitor programmes, projects and activities so that corrective actions can be taken as and when necessary. Cost-benefit analysis must be undertaken seriously to ensure that programmes, activities or projects will truly benefit the public.

d. Improve and make more effective the channels of communication that the Public Service have to impart information on Government policies and programmes as well as in getting feedback from the public. There should always be consistency in the information given to the public to avoid confusion and further speculation.

e. More consultation be held with NGO's and community groups in the process of formulating or reviewing national policies and programmes. This form of engagement will go a long way in making them feel that their views are being heard and appreciated and that they are participating in making decisions that affect them and their members.

f. Assess how developments in information and communication technology will impact the size, structure and nature of work in the Public Service with developments like on-line applications and online payments.

g. The Public Service embrace technology-based digitization and digitalization and introduce new innovative ways of working or expand the use of new ways of working that are already in place to enhance effectiveness and efficiency in the delivery of services to both the business sector and the public.

h. The Public Service has to plan and conduct courses and training programmes for the re-skilling and upskilling of its officers as well as for capacity building. This must be accompanied by developments in infrastructural support as well as policy and procedural changes and even work culture that is in line with the technological changes.

i. MAMPU be given the responsibility to drive the digitization and digitalization journey using all the new and emerging technologies as well as monitoring and coordinating developments across all organizations for efficient and effective service delivery and quick economic recovery using a change-management model with a clear roadmap to eliminate wastages.

j. Big data analytics be used to analyse huge data sets, the findings of which will assist in:

    i. Faster and effective policy decision making;
    ii. Formulation of policies based on scientific and empirical evidence;

iii. Obtaining effective and more comprehensive public feedback; and

iv. Monitoring of policy decisions and making changes when necessary.

k. Expand further the provision of on-line services to reduce counter services interaction. Less face-to-face interaction will help to reduce incidence of corruption since this will change the way public servants connect and deal with the public and the business sector.

l. Working from home (WFH) can be a new normal where suitable. Guidelines, rules and procedures need to be worked out. There will be a need to build mutual trust for WFH to succeed. Companies are already planning to adopt WFH over the long term.

Recent advances in information and communication technology have made it possible for more operations to be conducted virtually. It is suggested that:

a. Agencies conduct meetings virtually or through video conferencing as it saves time and costs, reduce the need for physical presence and increase productivity as more such meetings among Ministries, Departments and Agencies can be held.

b. More virtual meetings will allow for more connections, coordination, interactions and integration among Ministries, departments and agencies and these will eliminate or, at least, reduce the silo effect.

c. Virtual meetings/video conferencing with the private sector will be a more efficient and effective way to get feedback and input on government policies, programmes and activities from the private sector. The security aspect of such meetings must be given due consideration.

d. Social media is used extensively by the public for all kinds of purposes. Some use the social media to find fault with the government and spread false/fake news to create dissension and divisions in the community. It is suggested that the Public Service use the social media, including webinars, constructively to convey government messages and policies, respond to the false and fake news and create a more positive environment of the country.

Conclusion

The underlying purpose of national development efforts must be the need to develop our people, not just in terms of their knowledge and skills, but, particularly, in terms of their socio-cultural values. We need a nation of people imbued with values like honesty, integrity, resilience, self-reliance, strength, trustworthiness, diligence, discipline and with a high level of determination.

The time has come for our national development strategy to be approached differently and for the changes to be put into effect soon. We need an excellent Public Service, one that is efficient, effective, professional and resilient, and of high integrity and moral values to achieve this. And we need a road map to translate all the recommendations into concrete action plans with specific timelines.

This is an abridged version of a paper that PTD Alumni prepared and submitted to the Government (the Prime Minister's Office, the Chief Secretary to the Government and the Director General of the Public Services Department) on 23 January 2024.

AGEING BLUEPRINT FOR MALAYSIA

Alumni PTD

Introduction

With more than 7% of our population aged 65 and above in 2020, Malaysia met the conventional international definition of an 'ageing society'. In fact, we will be an 'aged society' by 2044 when 14% of our population is expected to be 65 years and more We expect to be a 'super-aged society' in 2056 when more than 20% of our population will be 65 years of age and more.

This is a common phenomenon across the world and not unique to Malaysia. Singapore, for example, became an aged society in 2017, and is set to attain "super-aged" status in 2026. By 2030, one in four citizens in Singapore will be aged 65 and above, much earlier than Malaysia.

An ageing population presents several challenges and opportunities for policy makers, the families, society, care givers, health providers and volunteers, and non-governmental organisations (NGOs). The government would want to see the aged remain independent, financially stable and socially active. However, the aged is not a homogenous group. They vary in the amount of retirement savings they have. It could range from a mere tens of thousands Ringgit to more than a million for a limited number of retirees. There is enormous variation in the status of their health. Some are healthier than others. Many are affected by non-communicable diseases. While some remain economically active, especially those in their own businesses, others decide to go into complete retirement. Any policies, strategies, programmes and activities to assist the aged must be able to meet the needs of such a varied group.

Ideally, our objective should be to ensure dignified aging for all, where the aged are able to enjoy the basic comforts of life as they age. These include having basic needs such as a roof over their head, food, health care and community support as well as continuous learning opportunities and second employment opportunity for those who would like to work. Therefore, there cannot be a one size fit all solution when addressing the needs of the aged to ensure dignified ageing. Ageing with dignity incorporates productive ageing, healthy ageing and independent ageing.

Productive Ageing

The current lifespan has increased to beyond 74 years and yet the retirement age remains at 60 years. Singapore has extended its retirement age to 63 years and its reemployment age to 68 years in 2022 and intends to increase them further to 65 years and 70 years respectively in 2030. In Malaysia, though there are some who continue to work on contract or on a part time basis after retirement, many choose to call it a day. There could be others who would like to continue to work because they do not have much retirement savings or still have financial commitments but don’t have the necessary skills or the opportunities to work. Further, the experience and expertise of the retirees should not be wasted. There is a gap in the transition from their immediate past employment to reemployment in the sense that many may not know where to seek reemployment and it is important that this issue be addressed. Generally, people who keep themselves occupied tend to have a healthier life.

Therefore, we propose that:

a. The retirement age be increased to 63 years and, in another 5 years, to 65 years.

b. The necessary changes be made to allow for flexible retirement age, where employers can continue to employ workers who are able and productive to work beyond the retirement age.

c. The Reemployment Act expand the opportunities available for those who have retired by including subsidised training in the required skills, encouraging employers to reemploy by providing wage subsidies or reemployment grants, providing exemption from income tax and restricting employment of foreigners in jobs that can be undertaken by retirees.

d. Those in the 40's, 50's and 60's be allowed to attend TVET courses to acquire skills of their choice which can be used after their retirement and the government should provide grants for this purpose.

e. Part-time work should be facilitated through working with employers to identify work suitable for part-time work for those who may not want to be reemployed on a full-time basis.

f. Implementation of the Reemployment Act requires the active involvement of the government where it must work with the private sector to identify the industries and services suitable for reemployment.

Healthy Ageing

A significant percentage of the aged are affected by non-communicable diseases (NCD) like diabetes and hypertension as well as other ailments. Treating these diseases is costly to the Government as many in the aged category get free or subsidised treatment and medication from government facilities like hospitals and *klinik kesihatan*. Nevertheless, the quality of life the aged should enjoy can be severely affected. The general population must engage in healthy living while young to ensure they do not fall into the NCD category when they grow older. The Ministry of Health, the Ministry of Local Government, the Ministry of Women, Family and Community Development, Ministry of Youth and Sports and local authorities have a big role to play in ensuring healthy living. Individually, these agencies have many facilities, projects, programmes and activities to encourage healthy living. These include the many parks around the country, halls with sporting facilities, nature trails and many more. The Ministry of Health, for example, promotes healthy eating habits, and easily accessible health facilities around the country that is free/highly subsidized.

Therefore, we propose that:

a. The Ministry of Health publicises its preventive health care programmes and activities, their objectives and their availability more widely to help increase awareness among the population on the importance of healthy living.

b. The Ministry of Health helps to ensure healthy eating habits by labelling food products based on their contents like sugar, salt and preservatives into categories to help consumers choose healthy products for consumption and, thereby, prevent obesity and related diseases.
c. There is a need to study the need to expand gerontology clinics that are available in many major hospitals to district hospitals.
d. The Ministry of Local Government and the local authorities should have community centres in housing areas including PPRT flats for the aged to network and be with their friends and acquaintances to pass their time socially. Keeping the body and mind active contributes to healthy living.
e. In other areas, including rural areas, the Welfare Department should revitalise their *Pusat Warga Tua* with activities that will attract the participation of the aged living nearby.
f. Community and corporate participation is critical for the success of community centres and community support. As part of their corporate social responsibility programmes, corporations can finance some of the activities of the community centres through NGOs which can plan and run the activities.
g. Members of the community should see themselves as part of the community centres and help organise activities and partially fund them as well to ensure their active involvement.
h. The employers (the government and the private sector) should facilitate and encourage volunteerism from young by allowing their employees to volunteer for certain activities during their work time (at employers' cost) so that such volunteerism will continue after their retirement to keep them healthy and fit.

Facilities for the Aged

Healthy ageing requires facilities like public parks and indoor activity centres for the aged to exercise, enjoy nature and to spend time with their friends and family members, especially their grandchildren. They too would like to move around and travel to places of interest. This is part of active ageing.

Therefore, we propose that:

a. Transport facilities such as buses and trains and associated facilities such as toilet facilities are elderly-friendly with adequate guard rails, handrails, ramps and anti-slippery floors and walkways.
b. Parks and other recreational facilities be built nearer to areas of population concentration with facilities associated with the aged like walking and cycling paths, simple exercise equipment and sufficient open areas for group exercises such as tai-chi, xi qong and line dancing.
c. The parks and other facilities must be for the community and the entire family where the aged can go with their family members.
d. All the facilities must be well-maintained to ensure their safety since we find many of them in a deplorable state after a few months of operation.

Adequate Retirement Savings

Those who retire with adequate retirement savings will be able to live without financial support, either from their children, the government or other charitable organisations. Such individuals may not even want to be reemployed. Some, with high monthly pensions or very comfortable savings in EPF or elsewhere, can continue to live in their own houses. In fact, there are some who are so financially well-off that they can afford to move to expensive retirement homes, especially in the later years of their life.

The problem is with those who have little or no retirement savings and those with small pensions and still having financial commitments. For such people, their savings may last only for a few months or a few years. The problem can be made worse by withdrawals allowed from the EPF savings due to Covid-19 and its aftermath. Those who are self-employed do not avail themselves of the opportunity to contribute to the EPF to start their own retirement savings.

An additional concern for new entrants into the public service is the Government's decision to do away with the pension system. All new entrants into the public service will now contribute to the EPF along with the government's contribution. This decision was made due to the high cost of maintaining a government pension system. The current cost is estimated to be about RM 34 billion per year for the over 900,000 pensioners. Moving away from the relative safety of monthly pensions to the EPF system means the need for careful financial planning on the part of the contributors.

Therefore, we propose that:

a. The percentage contribution by the employer and the employee into the EPF be increased to enable higher retirement savings.
b. Withdrawals are not allowed prior to retirement unless they are for productive purposes like investments that give good returns since savings in the EPF are for old age living.
c. More of the self-employed should contribute to the EPF through schemes such as i-Saraan. Its existence and the benefits should be publicised widely as many do not seem to be aware of it.
d. The availability of a facility within EPF that allows individuals to increase their savings with the EPF by making additional contributions, over and above that by the employer and the employee, should be publicised and promoted.
e. As part of its corporate social responsibility, the EPF should, through employers and NGOs, educate employees and the self-employed on the importance of early financial planning for their future and this should include investment opportunities.
f. More contributors who retire should be encouraged to request EPF to give them monthly payments rather than withdraw the total savings since poor financial management may result in them losing all their savings very early in their retired life.

Falling through the Safety Net

It is common knowledge that many in the aged category are not financially independent. Many are dependent on their children and live with their families. Some who are rejected by their family members become destitute with no shelter and other basic necessities. Some of them end up in welfare homes run by the government or non-governmental organisations. There are others who end up in the streets, under bridges, abandoned homes, bus stations and bus stops, and in the vicinity of hospitals, begging for a living. Despite the efforts of the government for productive and healthy ageing, there will be some who will fall through the government safety net.

As mentioned earlier, the aged vary widely in their behaviour and expectations. A survey undertaken by the Malaysian Research Institute on Ageing shows that there are parents who do not want to stay with their children. They do not want to burden them. Though some may be financially sound to stay independently, others may not be in a position to do so. It seems that some parents do not want their children to disturb them in their retirement years. At the same time, there are many among the aged who have been abandoned by their families.

Therefore, we propose that:

a. The aged individuals should stay within the family and the community as long as possible with institutions being the last resort. The family should still remains responsible for the well-being of their aged members.
b. Families in (a) above who need financial and other forms of support can approach the Welfare Department and the related NGOs for financial assistance, medical support and specialised care.
c. The Welfare Department and NGOs can provide training for caregivers and volunteers involved in assisting the aged in their daily activities (toileting, wheelchair use, caring for those bedridden, medication, feeding etc.).
d. The Welfare Department and NGOs should expand their home visits and assistance in-situ to help families care for the aged.
e. Families that can afford to pay for care at private homes can send the aged to such institutions since there are institutions ranging from private old folks' home charging nominal amounts like RM 800 a month to comfortable senior citizens resort homes charging RM 4,000 to RM 8,000 per month.
f. Families that cannot afford to send their aged to private institutions can send them to the old folks' homes run by the government and NGOs which do not charge fees.
g. Those who are aged and abandoned by their families and with no means to sustain themselves will have to depend on homes run by the Welfare Department and voluntary organisations which provide for basic comfort and sustenance.

h. The homes and other facilities provided by the Welfare Department and NGOs must be upgraded to be of higher standard to be at par with the development status of the country.
i. Officers and staff of the Welfare Department working in homes for the aged should be provided with the necessary training to enhance their skills to run such facilities.
j. Homes for the aged managed by the private sector and NGOs must be regulated to ensure that they meet the minimum standards. However, such regulations must be stream-lined and standardised across states and local authorities to facilitate the development and running of such homes.
k. Officers and staff of homes run by private entities and NGOs must also be given adequate training to manage the homes well.

Becoming a hub for care for the Aged

Many who retire have the money to enjoy the last years of their lives in comfort such as in retirement homes with facilities like golfing, swimming pools etc. They also have the money to go on tours to local and foreign destinations. They have unique needs catering to which may require new industries. Allowing the silver economy to flourish can be a source of growth for the country. For example, Malaysia can be the hub for resort homes for the aged for countries around the region where the rich and famous can spend their retirement savings enjoying the available facilities here.

Therefore, we propose that:
a. The government studies the possibility of making Malaysia a resort living hub for the aged who can afford and facilitate the development of such resorts.
b. We allow the employment of foreign workers to meet the specific requirements of the aged, especially in the case of caregivers.
c. All workers employed in the homes for the aged are properly trained like those in Australia and New Zealand.
d. We ensure standardised requirements and procedures for the construction and running of the resort homes with a regulatory agency in place.

Cooperation, Co-existence and Coordination

Government agencies and NGOs are involved extensively in the provision of services for the aged. These include financial support, psychological support, social services, care-giving as well as washing and cleaning. There are numerous agencies and NGOs involved in assisting the aged with all mostly operating in silos. It is unfortunate that all these support services and the providers of such services are not worked out properly. Agencies and NGOs operate within their respective areas only without knowing the big picture. As a result, there is limited coordination with each trying to reinvent the wheel.

Long lifespan, life as a retiree and the rapid developments in information and communication technology have put many out of touch with current affairs, equipment and new developments like artificial intelligence. Unfortunately, we need skills to utilise the new technology which has become a prerequisite for meaningful living. These are living skills that the aged must learn so as not to be scammed.

Thus, we propose that:

a. The government establishes a specific department for the aged that can plan for all the policies, strategies, programmes and activities for the aged.
b. The needs of the aged and all the services provided by government agencies, private agencies and NGOs are streamlined to ensure that all involved in the business of the aged have a comprehensive understanding of what is involved.
c. The aged be informed of all new developments that are of interest to them, especially in the areas of ICT, new apps etc. so that they too can benefit from these new developments.
d. Resources are shared by building on volunteerism.

Conclusion

Dealing with an ageing population is a complex task. Thus, in this paper we recommend the need policies, programmes and activities to have a healthy and productive ageing population. Realising that there will always be some who will be outliers, we also recommend the need to address their needs as well.

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This is an abridged version of the input submitted by Alumni PTD to the Ministry of Economy, Malaysia for its consideration in its preparation of the 'Ageing Blueprint' for Malaysia' on 27 September 2024.

Saraswathy Rajagopal

"There are four kinds of people in the world - those who have been caregivers, those who are caregivers now, those who will become caregivers, and those who will need a caregiver."
— Rosalynn Carter

Last month, a friend surprised his wife, Jay, with a long-awaited holiday to Sri Lanka. To most, it may seem like a simple getaway. But for Jay, it marked her **first overseas trip in more than a decade** - a rare and hard-earned reprieve from a role that defines her life.

Jay is a caregiver. And for those who dedicate themselves to the care of others, **time off is more exception than norm**.

A Quiet Sacrifice

Jay is the youngest of five siblings. When her mother was diagnosed with dementia four years ago, she made a life-altering decision: she left her career behind to become her mother's full-time carer. Previous experiences with hired help had been disappointing and, at times, distressing. She could not bear the thought of entrusting her mother, who had endured life as a young widow, juggling multiple jobs to raise her children, to strangers again.

Some urged her to consider institutional care. But Jay felt otherwise. For her, it was not about duty alone, it was about **honouring a woman whose life was marked by resilience and sacrifice**. She welcomed her mother into her home, assuming the immense emotional, physical, and financial responsibilities that followed. While friends occasionally offered help, her siblings were rarely available. Personal time became a luxury, and proper rest, a distant memory.

Yet Jay remains steadfast. She asks for nothing, expects no recognition. Her strength lies in her humility, and her love in her actions.

The Unseen Backbone of Our Society

Jay's story echoes far beyond her household. Across communities, caregivers form an invisible support system = **the unsung heroes** holding families, relationships, and lives together.

They include:

- Elderly parents caring for adult children with disabilities.
- Spouses nursing partners through degenerative illnesses.
- Adults juggling careers and children while tending to aging parents.
- Grandchildren stepping into the roles of caretakers.
- Even young children, assuming responsibilities well beyond their years.

Most do not choose this path - it chooses them. Life changes in an instant. And what follows is often an unrelenting journey of sacrifice, love, and strength.

When Children Become Carers

One such story belongs to **Moorthy**, a 10-year-old boy who tends to his wheelchair-bound grandmother, a dialysis patient. With limited support and modest resources, he provides daily care that is nothing short of extraordinary. His quiet dedication is a testament to the power of love - even at such a tender age.

Another encounter stays with me. At the University Malaya Specialist Centre, I met a woman in her 40s accompanied by her young daughter. The woman, living with Parkinson's, had travelled from Serdang. Her appointment had been arranged and paid for by her former employer seeking a second opinion for her. Watching her daughter guide her gently, protectively, and confidently was deeply moving. Despite her youth, the girl exuded a maturity shaped by necessity and love.

Their consultant personally ensured their safe departure, arranging their transport and briefing the support staff. Witnessing such **compassion in action** was a reminder that kindness still thrives in the most unexpected places.

Grace in the Margins

Care is not confined to homes or hospitals. It lives in the shadows of our cities too - among the homeless communities in areas like Benteng, Chow Kit, Pudu, and Old Klang Road. Even here, we witness **solidarity and compassion among those with the least**.

Younger, more able individuals care for the frail and disabled, often collecting meals on their behalf and ensuring they are fed before themselves. These quiet acts of humanity remind us that caregiving transcends social class, income, and circumstance.

I know of a blind medical doctor who looks after her elderly, also-blind mother. Together with her supportive husband, they navigate daily life with grace and strength. Their story is a portrait of resilience - **love that endures despite limitations**.

The Pain of Being Forgotten

Not all stories are heartening. In many nursing homes, elderly residents carry a heavy emotional burden: **the pain of abandonment**. These are individuals who gave everything to raise their families, only to find themselves left behind in old age. They speak of deep shame, not because of illness or frailty, but from a profound sense of rejection.

Their sorrow is a mirror to us all - raising uncomfortable questions about how we value our elders and the depth of our compassion.

The Healing Power of Care

Caregiving, though often draining and relentless, is also **deeply transformative**. It can be healing - not only for those receiving care but for the caregivers themselves. It nurtures empathy, forges unbreakable bonds, and builds emotional resilience.
Care is not just an act. It's a powerful medicine. It affirms worth, renews dignity, and fosters a deep sense of being loved and seen. And in a world increasingly driven by individualism, caregivers quietly **hold together the fabric of humanity**.

A Call to Acknowledge, Support, and Share

As a society, we must do more. To **acknowledge caregivers, ease their burdens, and create systems of support** that recognise the emotional and physical toll they carry. We can:

- Offer time and help to those in caregiving roles.
- Advocate for policies that support carers—financially and emotionally.
- Show gratitude and appreciation, even in small ways.

Because one day, we may find ourselves in their shoes.
In every caregiver's story lies a quiet hero. And in their love, we find the true measure of our shared humanity.

Saraswathy Rajagopal joined the Administrative and Diplomatic Service on 5th August 1974. She retired as the Senior Training Consultant, National Institute of Public Administration (INTAN) in September 2003.

WHITHER WTO?

Datuk Merlyn Kasimir

Introduction

The U.S. Administration's policy of reciprocal tariffs and balanced trade, and the potential retaliatory measures by affected countries and the ongoing bilateral negotiations, erode the principles and rules of the multilateral trading system established by the World Trade Organisation. The US tariff policies "undermine the global trade system since they violate two key WTO principles: non-discrimination among WTO members (so-called MFN treatment), and respect for tariff concessions that were bound in previous tariff negotiations".[1]

The global trading system is under mounting pressure and strain following the United States' (US) unilateral imposition of tariffs. These actions are expected to lead to a contraction in global trade and major disruptions across international supply chains. This raises a critical question: would such measures ultimately undermine the rules-based multilateral trading system that has developed over decades, beginning with the General Agreement on Tariffs and Trade (GATT) and continuing through its successor, the World Trade Organisation (WTO)?

Malaysia, as an open trading nation, has benefitted from a stable and predictable multilateral trading system. Prime Minister Dato' Seri Anwar Ibrahim, in a statement on 6 April 2025, stated that additional tariffs on every country that trade with the United States constitutes a rejection of the principles of free, non-discriminatory, predictable and open trade under the World Trade Organisation. This very organisation was established by, among others, the US itself in 1948 through the General Agreement on Tariffs & Trade (GATT).

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[1] Richard Baldwin & Giorgio Barba Navaretti, Centre for Economic Policy Research(CEPR)

This article is not intended to provide a scholarly or an in-depth analysis of the WTO, and its predecessor the GATT, and their Agreements, or about the US unilateral trade measures and its balanced trade policy. It is aimed at presenting a basic understanding of the developments that led to the establishment of the GATT and the WTO, and their role in promoting multilateral trade liberalisation efforts, and in establishing a rule-based system, which has contributed to the expansion of world trade.

Historical Background – Beginnings of the GATT

In 1944, forty four nations, led by the USA and UK, convened to discuss the rebuilding of the world economy shattered by the two World Wars and the protracted depressions of the 1920s and 1930s. The Bretton Woods Conference of 1944 established two key institutions, the International Monetary Fund (IMF) and the World Bank. However, negotiations for an International Trade Organisation (ITO), to complement these two institutions, to "become the pillars of the new international economic order"[2] were not successful.

As an interim arrangement, an international agreement called the "General Agreement on Tariffs and Trade" (GATT), which was concluded among 23 countries, led by the United States and UK, came into force in January 1948. It was, for all intents and purposes, a multilateral treaty, and member countries were known as "Contracting Parties". It was not a formal organisation but provided the framework for "contracting parties" to negotiate and reduce protectionist tariff barriers and other trade barriers to facilitate global trade, and procedures for resolving trade disputes.

The GATT, with an 'interim' secretariat, did not operate as an international organisation until the establishment of the World Trade Organisation (WTO) in January 1995. As the successor to GATT, WTO embraced the principles and trading rules of the GATT. The GATT had 128 "Contracting Parties" (including Malaysia) at the time of the establishment of the WTO. "GATT had been intended to serve as an interim arrangement before the new

[2] Roy Santana, "70th anniversary of the GATT: Stalin, the Marshall Plan, and the provisional application of the GATT 1947", Journal of Trade Law and Development, Volume 9

trade institution came into being. The interim period turned out not to be a few months but was instead close to half a century "[3]

GATT Principles

"From 1948 to 1994, the GATT provided the rules for much of world trade and presided over periods that saw some of the highest growth rates in international commerce. It seemed well-established but throughout those 47 years, it was a provisional agreement and organization".[4]

GATT's rule-based global trade order was built on the *Most Favoured Nation (MFN)* principle, which mandates that each member country must offer the same favourable trade terms to all other member countries. Specifically, if a country provides a particular trade advantage to one nation, it must extend the same advantage to all other member nations (contracting parties to the GATT). This principle is designed to prevent discrimination and ensure equal treatment among trading partners.[5]

The other key principle in GATT is the *National Treatment* provision which requires that imported products shall not be accorded treatment less favourable than that accorded to "like domestic products" in respect of taxes, laws and regulations.

Tariff Reductions under GATT

Between 1947 and 1994, eight rounds of multilateral trade negotiations known as "trade rounds" were held under the auspices of GATT, with the objective of progressively reducing import tariffs to facilitate world trade in goods. According to the WTO, the biggest leaps forward in international trade liberalisation have come through these rounds. Continual

[3] Craig Van Grasstek, "The History and Future of the World Trade Organisation"
[4] WTO Secretariat
[5] Article 1 of GATT, "......any advantage, favour, privilege or immunity granted by any contracting party to any product originating in or destined for any other country shall be accorded immediately and unconditionally to the like product originating in or destined for the territories of all other contracting parties."

reductions in tariffs alone helped spur very high rates of world trade growth during the 1950s and 1960s - around 8% a year on average. And the momentum of trade liberalisation helped ensure that trade growth consistently out-paced production growth throughout the GATT era, a measure of countries' increasing ability to trade with each other and to reap the benefits of trade.[6]

In the negotiations, countries make commitments to tariff bindings which are the maximum tariff rate a country may impose on specific products. Once a tariff is bound, it cannot be increased unilaterally; any increase requires negotiation and the agreement of other GATT members. This helps promote predictability and stability in international trade by preventing arbitrary increases in tariff rates.

The Tokyo Round of negotiations held from 1973-1979 was the first major attempt to tackle non-tariff trade barriers. Agreements were reached on non-tariff barriers, such as, anti-dumping, technical barriers to trade, import licensing, and government procurement. They were known as "Codes" as not all participants signed on to them, but they provided the basis for future negotiations.

GATT Trade Rounds – Trade Negotiations

Year	Place/name	Subjects covered	Countries
1947	Geneva	Tariffs	23
1949	Annecy, France	Tariffs	13
1951	Torquay, England	Tariffs	38
1956	Geneva	Tariffs	26
1960-61	Geneva Dillon Round	Tariffs	26
1964-1967	Geneva Kennedy Round	Tariffs & anti-dumping measures	62

[6] WTO Secretariat "The GATT years: From Havana to Marrakesh"

1973-1979	Geneva Tokyo Round	Tariffs, non-tariff measures, "framework" agreements or "Codes"	102
1986-1994	Geneva Uruguay Round	Tariffs, non-tariff measures, rules, services, intellectual property, dispute settlement, textiles, agriculture, creation of WTO, etc	123

Source: WTO Secretariat

The Establishment of the WTO

In the Uruguay Round of Multilateral Trade Negotiations (1986-1994) a broader range of trade policy issues were negotiated and was the last round of trade negotiations, under the GATT, as it resulted in the establishment of the World Trade Organisation (WTO), a full-fledged international organisation, unlike the GATT of 1947, which was a multilateral agreement, and not an organisation. The GATT was incorporated as one of the multilateral agreements under the WTO.

The Marrakesh Agreement signed in April 1994 by 123 countries, including Malaysia, at the conclusion of the Uruguay Round of Multilateral Trade negotiation (1986-1994), which established the World Trade Organisation (WTO), is said to have brought about the biggest reform of the world's trading system since GATT was created in 1947.

The WTO built upon and formalised the foundations laid by GATT, establishing a broader and more comprehensive rules-based framework for international trade. The WTO broadened the scope of the original GATT by including new areas, such as, trade in services, trade-related aspects of intellectual property rights, investment policies for goods trade, agricultural trade rules, technical barriers to trade, and Customs valuation. The GATT remained under WTO as the agreement governing trade in goods, now referred to as "GATT 1994".

Presently, the WTO has over 160 members representing 98 per cent of world trade and more than 20 countries are seeking to join the WTO. To accede to the WTO, a government has to bring its economic and trade policies in line with WTO rules and negotiate its terms of entry with the WTO members.[7] After nearly 15 years of accession negotiations, China became a member of WTO in December 2001, which was a significant milestone as that facilitated China's integration into the global economy as well as strengthened the multilateral trading system.

Since its establishment in 1995, the WTO launched its first round of multilateral negotiations, known as the Doha Round in 2001. Its aim was to achieve major reform of the international trading system through the introduction of lower trade barriers, including reducing trade distorting agricultural subsidies, and updating trade rules. The development needs and interests of the developing countries was to be an important aspect of the Doha Round, and thus is also known as the Doha Development Round.

The negotiations proved to be complex due to the broad range of issues on the agenda and significant disagreement among WTO members prevented consensus. Agreement was reached on trade facilitation in 2013, but negotiations on many items remain open. "The Doha negotiations have progressed incrementally over the years, despite their complexity and diverse member perspectives. Each stage has focused on narrowing differences through interim agreements, with ongoing efforts to find common ground and achieve consensus".[8]

Malaysia and the Multilateral Trading System

Malaysia (Malaya then) became a contracting party to the GATT after independence in 1957 and was a founder member of the WTO since its establishment on 1 January 1995. According to the Ministry of Investment, Trade and Industry (MITI), Malaysia has greatly benefited from the transparent and predictable trading environment fostered by the WTO, contributing to the nation's economic growth and development. Reduced trade barriers and expanded market access have supported Malaysia's trade expansion, while ensuring non-

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[7] WTO Website: wto.org

[8] "Malaysia and the WTO" - MITI website

discriminatory treatment for its exports of goods and services. Additionally, WTO-based trade remedies offer Malaysian industries protection against unfair trade practices.[9]

Malaysia did not make substantive commitments upon accession to the GATT in 1957 or in the earlier rounds of trade negotiations. It was only in the Uruguay Round of trade negotiations that Malaysia undertook greater commitments and made substantial reductions and binding of tariffs, as its developmental status advanced. During the early GATT Rounds of Trade Negotiations, developing countries were not expected to offer reciprocal tariff concessions to the same extent as developed countries. This was part of the broader goal of promoting the economic development of developing countries and to support their integration into the global trading system, and protect their emerging industries.

The transition from the GATT to the World Trade Organisation (WTO), particularly through the Uruguay Round of trade negotiations, significantly broadened the scope of multilateral trade rules to address emerging trade priorities in areas such as agriculture, services, subsidies, trade facilitation, and intellectual property protection. While Malaysia may have initially perceived some of the new obligations as challenging or burdensome, the benefits over time have proven to be meaningful. Enhanced market access and a more predictable, rules-based trading environment have, for instance, supported the growth and competitiveness of Malaysia's services sector, strengthened Malaysia's position within global and regional value chains, and had served as a catalyst for domestic policy reforms, including the strengthening of Malaysia's intellectual property regime.

Although committed to multilateralism, Malaysia is also active in regional and bilateral trade agreements (e.g. AFTA, RCEP, CPTPP).[10] It sees these as **complementary** to the multilateral system. FTAs are allowed as an exception to the non-discrimination principle of the WTO (Most-Favoured-Nation Principle), provided they comply with certain WTO

[9] MITI

[10] AFTA: ASEAN Free Trade Area
RCEP: The Regional Comprehensive Economic Partnership
CPTPP: The Comprehensive and Progressive Agreement for Trans-Pacific Partnership.
Bilateral Free Trade Agreements, include FTAs with Turkey, Japan, Chile, Pakistan & Australia

rules.[11] While Malaysia and many trading nations have resorted to regional or bilateral FTAs, they still hold on to the primacy of the WTO and multilateral trading system.

The WTO Dispute Settlement Mechanism plays a vital role in resolving trade disputes, through a rules-based framework. It allows a member country that believes another country, through its trade policies, has breached WTO rules, or failed to honour their commitments in the WTO, to bring the case to the WTO for resolution, rather than resorting to unilateral actions. The WTO is in fact the only legally binding multilateral trade agreement that provides a well elaborated dispute settlement mechanism that allows aggrieved parties to seek redress, especially on unilateral measures adopted by WTO members.

According to MITI, 616 disputes have been brought to the WTO since 1995, resulting in over 350 rulings. Malaysia has to date participated as a third party in 25 dispute cases, and as a main complainant in the dispute with the European Union (EU) concerning the Renewable Energy Directive (RED).

Conclusion

The principle of non-discrimination based on the most-favoured-nation provision (except for preferential tariffs offered under FTAs), and the binding of tariff commitments, have been the cornerstone of the multilateral trading system. While the WTO may have its inadequacies, it has been instrumental in establishing a predictable and stable global trading system, providing rules, structure, and stability amidst the increasingly challenging global trade and geopolitical dynamics. In fact, it is preferable to negotiate rules on emerging issues such as e-commerce within the WTO framework rather than allowing a limited group of countries to develop rules that would later become the benchmark.

There is no viable alternative to the WTO. Most member countries are expected to uphold their commitments to the organisation, even as they may pursue separate, short-term trade

[11] Conditions are spelt out in a) Article XXIV of GATT, b) Article V of the General Agreement on Trade in Services, and c) The 1979 "Enabling Clause "on preferential trade arrangements in trade in goods between developing countries.

deals with the United States that fall outside the framework of WTO rules. According to the WTO, the vast majority of global trade will continue to flow under the WTO's Most-Favoured-Nation (MFN) terms[12]

The Director General of the WTO recently stated that we are in the midst of one of the largest disruptions in world trade history, and that the present disruption is seen as a vital opportunity to address the system's weaknesses and reposition the WTO for the future.

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Datuk Merlyn Kasimir began his career with the Trade Commissioner Service in 1972, which was subsequently integrated into the Administrative and Diplomatic Service. He retired in November 2006 as the Chief Executive Officer of the Malaysia External Trade Development Corporation (MATRADE).

Tan Sri Dr. Rebecca Sta Maria

This article will focus on three areas: first, the historical context of ASEAN; second, dealing with the changing and challenging trade and economic landscape; and third, some points to ponder in the journey to ASEAN Community Vision 2045.

As Malaysia chairs ASEAN this year, it is important to be reminded that it was the late Tunku Abdul Rahman, our first Prime Minister, who proposed the idea of closer cooperation among the countries of Southeast Asia. His idea was for the establishment of the Association of Southeast Asia, ASA. To bring it to fruition, Tunku talked it over with President Garcia of The Philippines. Following this, at the end of October 1959, Tunku wrote to the leaders of Burma, Cambodia, Indonesia, Laos, the Philippines, Thailand and Vietnam, outlining the raison d'etre of his proposal, and inviting their reactions and feedback.

ASA was formed in 1961, with Malaysia, the Philippines and Thailand as members. ASA emphasised closer cooperation in economic, social and cultural fields. It laid the groundwork for collaboration among Southeast Asian nations, which then led to the formation of ASEAN in 1967. Tunku's leadership and vision helped lay the foundation for the cohesive ASEAN we see today.

There are key takeaways from Tunku's approach to regional integration: it is a process involving engagement and the tireless personal reaching out to counterparts at the highest level. It requires leadership to move forward an idea to reality. ASEAN was borne of Tunku's leadership and foresight. That is Malaysia's legacy. That is what Malaysia must continue – provide the leadership for ASEAN.

A key milestone in ASEAN's journey was the adoption of the ASEAN Charter in 2007. This gave the grouping a legal status and an institutional framework, codifying ASEAN's norms, rules and values. The Charter came into force in December 2008, with a structure of three pillars: political-security, economic, and socio-cultural, around which we based our development and engagement. It is important to recall that Malaysia held the pen in drawing up the ASEAN Economic Community Blueprint 2015, which was launched together with the other two community blueprints at the adoption of the ASEAN Charter.

Fast forward to 2025. The trade and economic landscape has changed. The structure that was established under the ASEAN Charter may have worked then. But in light of the complexities around trade and economic development, security, climate change, energy transition, digital transformation, justice and equality, it is time to rethink this structure.

Take the ASEAN Economic Community (AEC) for example. It set ambitious goals with ASEAN's 2015 and 2025 economic community blueprints. While the Blueprints contributed to deepening economic integration in the region, gaps remain. The Mid-Term Review of the 2025 AEC Blueprint, for instance, highlighted that there should be a better mechanism for responding to cross-cutting issues. Trade today is not just about the transaction of goods and services per se, but is intertwined with issues of sustainability, security and resilience of supply chains, the challenge of digital transformation, human rights, as well as economic empowerment of micro-small and medium enterprises, women and those with untapped economic potential. The latest action of "reciprocal" tariffs adds another level of complexity to international trade.

This year Malaysia has the opportunity to reassert its leadership in ASEAN, not just because it is the Chair but also because the unfolding geo-economic situation calls for it. The unilateral US trade action, which is in essence an abandonment of the rules-based trade order, and its retreat from international governance puts global trade and economy at risk.

To be sure, the escalating trade tensions between the US and China will significantly impact their bilateral trade. The WTO estimates that merchandise trade between these two giants could decrease by as much as 80%. What is of greater concern is that the negative fallout will extend to the rest of the world because of how trade and investment are so inter connected. Hence, the fragmentation of trade along geopolitical lines, supply chain disruptions and/or realignment, and the uncertainty within the trading system will impact all of us. As ASEAN Chair, Malaysia could function as an honest broker using the East Asia Summit, for example, to bring the warring parties to the table.

While it may be necessary to have a collective ASEAN voice in response to the US, each ASEAN Member State will, of course, want to ensure its own policy space. Hence, the importance of balancing the need to maintain ASEAN centrality with national interests. It was the right call for Malaysia to lead the ASEAN Economic Ministers' process on April 10, and clearly indicate that ASEAN's response will not be in the form of retaliatory measures but that ASEAN will "engage in a frank and constructive dialogue with the US to address trade-related concerns. Open communication and collaboration will be crucial to ensuring a balanced and sustainable relationship."

ASEAN is a significant economic grouping. Collectively, ASEAN represents over 680 million people, its nominal GDP reached US$3.8 trillion in 2023, positioning it as the fifth-largest economy in the world and contributing 3.6% to global GDP.

ASEAN's ability to balance relationships among the bigger countries is its strength. ASEAN needs to leverage this strength. ASEAN has convening power. The ASEAN+1, ASEAN+3, the East Asia Summit (EAS), the Regional Comprehensive Economic Partnership (RCEP) agreement between ASEAN and five of its Dialogue Partners are all opportunities for the grouping to leverage on, expand, diversify and deepen regional trade and investment.

For sure, ASEAN can do more to stand up and stand out in the global arena, in the various multilateral and international organisations such as the World Trade Organisation, World Health Organisation, or UN Climate Change Conferences, or COPs. All these organisations present ASEAN with the opportunity to speak with greater coherence and amplify its voice on the global stage. Likewise in organisations where there is a good number of ASEAN member states participating, such as in APEC. ASEAN has the opportunity to set and contribute significantly to the agenda, focusing on consolidating and coordinating a collective middle-power response to global challenges.

As a founding member of ASEAN, Malaysia must continue to play a leadership role in the process of deepening regional economic integration and contributing significantly to the work of charting our course to ASEAN Community Vision 2045. Here are some suggestions:

First, ASEAN must expand its trade and economic relations. It must take away an important lesson from the current economic upheaval. Yes, ASEAN has to maintain its relationships with both the US and China and not be seen to be aligned with either. Neither should it be forced to choose. Even as it seems that the rules-based order has been turned on its head, all is not lost. ASEAN can work with the other members to reform the World Trade Organisation. In addition, ASEAN should deepen our collaboration with other regional organisations such as the EU, the Pacific Alliance, the African Continental Free Trade Area, the European Free Trade Area (EFTA), the GCC. These coalitions can consolidate positions among groups of like-minded countries, broaden its trade network and build resilience within the respective economies.

Second, work on the ease of doing business. The unfolding “retaliatory tariff” conundrum provides an opportunity for ASEAN to review and strengthen its own regional integration efforts among ASEAN member states as well as with its RCEP partners. Take Non-Tariff Barriers (NTBs) and Non-Tariff Measures (NTMs) as examples. ASEAN is not unaware of the need to reduce or eliminate NTBs. In 1992 ASEAN signed the **Agreement on the Common Effective Preferential Tariff (CEPT) Scheme for the ASEAN Free Trade Area (AFTA) which** provides for the immediate elimination of quantitative restrictions for products included in the CEPT Scheme, and the elimination of other non-tariff barriers within a period of five years upon enjoyment of the CEPT concession. ASEAN has taken several measures to remove unnecessary barriers to trade through efforts such as the harmonisation of product standards and mutual recognition of conformity assessment requirements, simplification of customs clearance procedures and harmonisation of sanitary and phytosanitary standards.

However, there is still much work to be done to facilitate business in ASEAN. Continued engagement with the ASEAN Business Advisory Council and multi-agency collaboration is necessary if ASEAN is to work on reducing NTBs.

Third, 'humane economic' policies that redefine success beyond GDP. As global challenges continue to evolve, so too must our markers of progress and growth. Even Simon Kuznets, the primary architect of GDP, cautioned against its limitations as a measurement tool. Given Prime Minister Anwar Ibrahim's advocacy for "humane economics," this year presents a good opportunity for Malaysia to define and champion this approach on a regional scale.

Fourth, a new form of stakeholder capitalism for ASEAN that embraces inclusivity, including empowering women and elevating the voices of youth is required. Too often, economic models prioritise narrow objectives without considering their broader impact. It should recognise the interconnection between industrial policy and the well-being of people and the planet. By keeping these considerations in mind, ASEAN can ensure a just transition towards sustainable economies, while balancing economic growth with long term social and environmental priorities.

Fifth, ASEAN needs to review its 3-pillar structure and build-in a bridge for cross-pillar work so that issues on digitalisation, climate action, and gender equality are coherently dealt with. There is work being done on cross-pillar collaboration for digital connectivity as captured in the Digital Economy Framework Agreement. This sort of collaboration needs to be mainstreamed. ASEAN needs to structurally change the way it works.

Sixth, ASEAN needs to strengthen its think-tank network to bridge Track 1 and Track 2 dialogue. Good policy doesn't happen in a vacuum. Dialogue and feedback mechanisms are critical for making sure that policies introduced work on the ground. By creating stronger channels for engagement, it will be able to identify gaps early, refine strategies, and make sure that ASEAN's policies are not just well-intended, but equally effective.

Finally, Malaysia should lead the process for ASEAN institutional reforms, enhancing coordination at the Secretariat level to strengthen policy messaging, administrative efficiency, and have in place effective monitoring mechanisms of key initiatives, reinforced through built-in support structures and feedback-loops, ensuring that ideas like "humane economy" do not merely remain quixotic concepts but are translated into tangible, long-term change.

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VUCA WORLD IS OVER, HERE COMES THE BANI WORLD

Dr. Ibrahim Abu Ahmad

Introduction

We are so accustomed to the VUCA[13] world - a world that is constantly changing and an environment full of challenges in terms of instabilities, improbabilities, intricacies and obscurities. Many of us are aware of the idea that "**only change is constant"** while the rest are variables. If initially we have the VUCA environment, (volatile, uncertain, complex and ambiguous), now we are seeing the dawn or the emergence of a new world – the BANI world. Well, it depends on which school of thought you are in.

In this case, it's no secret that it is the beginning of the BANI world. A new world reality that we have to accept. The world that is fragile, apprehensive or restless, winding and unfathomable. The BANI world represents a new global paradigm or framework. Interestingly, it is merely based on 4 alphabets. Yet, it connotes a powerful meaning and significance. This is the new paradigm or framework that will be adopted or embraced by the world governments, businesses and the society at large. More importantly to the political, social and economic strategists that will assist world leaders, captain of industries and global communities in navigating the BANI world. The combination of these 4 letters defines the new future for them.

What is BANI?

BANI stands for **Brittle, Anxious, Non-linear and Incomprehensible**. This new paradigm depicted what was actually happening in the post Covid-19 pandemics period. Our world was not only turned upside down, causing millions of deaths and untold sufferings, but our geo-political socio-economic situations have become dangerously brittle and

[13] VUCA is an acronym for Volatile, Uncertain and Complex and Ambiguous

incomprehensible. The erratic landscape was made worst with the explosion of geo-social network[14] which is freely churning and circulating deepfake, fake news and disinformation. Thanks to the deepfake technology - a type of artificial intelligence that is used to create convincing fake images, videos and audio recording. Now we understand why we are today confronted with so many immoral and illegal issues such as impersonation, reputational harm, blackmailing, fabrication, fraud, stock manipulations, scams, political misinformation and election interference.

If the VUCA world that we encountered in the past was termed as the "new reality" then, now comes a new reality of "ever-changing realities". BANI is a new normal which makes it even more difficult to predict the realities of today and tomorrow. Some of us may not be familiar with these two popular trendy paradigms or frameworks. Simply, it means the transition of our world from uncertainty to chaos. The passage of two unstable eras, starting from the VUCA era to the BANI period. Before we dwell further on the BANI concept let's understand their origins and what they mean.

VUCA and BANI Origin

If VUCA was coined in the late 80s by Warren Bennis and Burt Namus, the acronym BANI was introduced by Jamais Caisco[15] in 2020 in his seminal paper entitled "Facing the Age of Crisis." The VUCA acronym was expounded by the US Army War College in 1987 to describe a new world era after the post "Cold War" which was challenging and increasingly complex at that time. As for BANI, it was prompted by a range of recent or current global crises we are now facing such as issues on climate change and global warming, the Covid-19 pandemic and the on-going geo-trade war between China and USA, the unending Russian-Ukraine war, the Gaza genocides and recently, Trump's sweeping tariffs. All these events require a new paradigm known as BANI to explain and also to replace the VUCA environment which is no longer relevant and appropriate to depict a rapidly evolving world. **Diagram 1** aptly describes such shift from the VUCA domain to the BANI environment.

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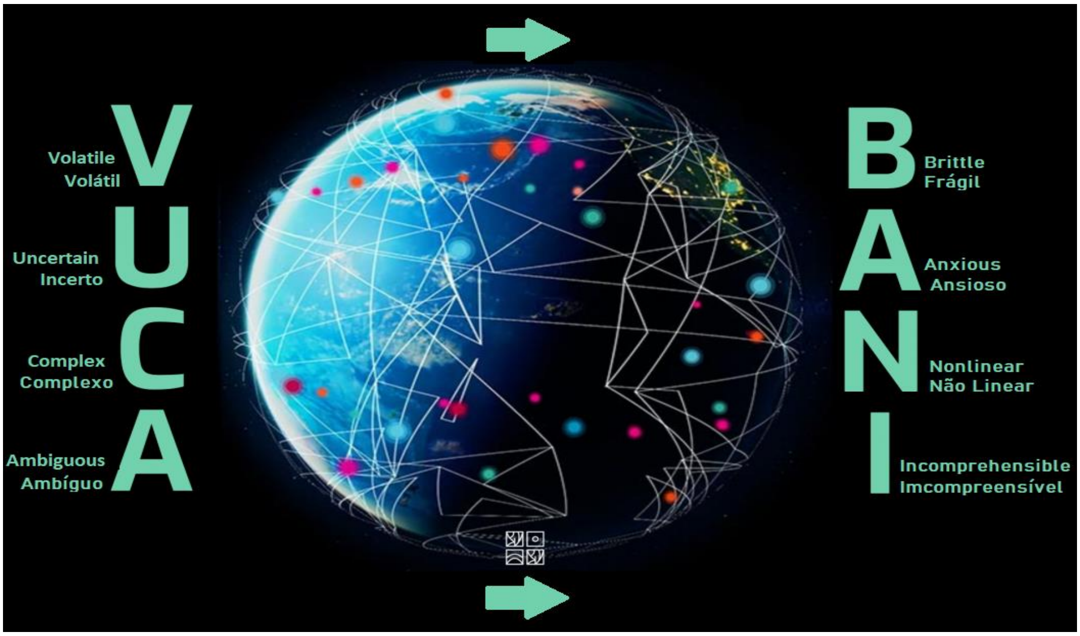
[14] Geo-social network is a type of online social networking augmented by geographical information

[15] An American anthropologist, futurist, and author, from the Institute for the Future in Palo Alto



Source: www.linkedin.com

The World of BANI and VUCA

The world of VUCA and BANI is illustrated in **Table 1**. All the terms of each world are specifically defined to give a good understanding and their inter-relations or connections between these two paradigms. For example, **Volatility** in VUCA is being replaced by **Brittle** in the BANI world while **Anxiety** is closely related to the broader notion of **Uncertainty**. Similarly, **non-linearity** relates to **Complexity** with the "additional layer of complexity in our understanding of the modern world."[16] While **Incomprehensibilities** in a non-linear world signifies the pinnacle of complexities that is so characteristic of the non-linear world.

[16] Bani Wolr: What is it and Why We Need it? By Stefan F. Dieffenbacher, 3 September 2023.

Table 1: VUCA Versus BANI

VUCA[17]	BANI[18]
<u>Volatility</u> "We live in a world that's constantly changing, becoming more unstable each day, where changes big and small are becoming more unpredictable – and they're getting more and more dramatic and happening faster and faster."	<u>Brittle</u> "Our world is not just volatile. It has become clear that rapid change is a big problem, especially when the system is inflexible. Brittle is exactly the right word to describe this condition. A brittle system usually looks very stable, but becomes porous and breaks over time, mostly unexpected. It gives the impression of being strong and robust until it reaches a critical point of failure. This unexpected collapse can have far- reaching and devastating consequences, catching individuals, organisations, and even societies off guard."
<u>Uncertainty</u> "It's becoming more difficult to anticipate events or predict how they'll unfold. It's becoming nearly impossible to plan for investment, development, and growth as it becomes increasingly uncertain as to where the route is heading."	<u>Anxious</u> "Anxiety within BANI framework is closely tied to the broader notion of uncertainty. It stems from the fear that something significant can unravel or break apart any moment. In essence, anxiety acts as a mechanism for safeguarding security in an unpredictable environment. When a system or world is marked by uncertainty, it can generate profound anxiety as individuals and organisations grapple with unpredictability of events."

[17] Extracted from an infographic entitled "VUCA Transformation and Leadership", 22 September 2020, https://www.learntrans...

[18] Extracted from BANI World: What is it and Why We need it? by Stefan F. Dieffenbacher, 3 September 2023

Complexity	Non-linear
"Our modern world is more complex than ever. What are the reasons? What are the effects? Problems and their outcomes are more multi-layered and harder to understand. The different layers intertwine, making it impossible to get an overview of how things are related."	Non-linearity represents an additional layer of complexity in our understanding of the modern world. This complexity arises from the fact that the systems in which we live and operate are inherently intricate. Within these complex systems, the traditional linear link between cause and effect is not always straightforward or evident."
Ambiguity	**Incomprehensible**
"*One size, fits all* and the *best practice* have been transferred to yesterday – in today's world it's rare for things to be completely clear and precisely determinable. Not everything is black and white – grey is also an option."	"Incomprehensibility represents the culmination of the complexities inherent in our non-linear world, taking us a step beyond mere ambiguity. To illustrate this concept, consider a scenario from the realm of software development. There may be lines of code that appear redundant or non-essential to the explicit function of a programme. However, removing this seemingly extraneous code can lead to a programme crash or render it unworkable. The baffling part is that there's no definitive explanation for this phenomenon."

Some Real-World Examples[19]

Here are some of the real examples of BANI and VUCA as tabulated in Table 2. Example 1 until 8 are actually extracts from an article "Understanding and Navigating the BANI and VUCA Worlds" written by Neranjan Dissanayake (30 September, 2023). The author has successfully showcased some real examples of these two worlds.

[19] Extracted from 'Understanding and Navigating the BANI and VUCA Worlds" by Neranjan Dissanayake, 30 September, 2023

Table 2: Real World Examples of VUCA and BANI Worlds

	Event	Description
1.	**Global Financial Crisis (2008)**	A classic example of both VUCA and BANI. Financial systems appeared robust but proved brittle. The crisis's non-linear effects rippled globally, affecting various sectors.
2.	**Covid-19 Pandemic**	An exemplar of volatility and brittleness - despite technological advancements, global systems were ill-prepared for such a pandemic, resulting in significant socio-economic upheavals.
3.	**Brexit**	The geopolitical decision showcased uncertainty and ambiguity, with companies and governments scrambling to understand the implications and recalibrate strategies.
4.	**The Arab Spring (2010-2012)**	Demonstrated volatility with sudden uprisings, uncertainty regarding their outcomes, complexity due to interwoven socio-political factors, and ambiguity as to the long-term ramifications. Showed brittleness of seeming stable regimes, generated anxiety on a global scale, demonstrated non-linear effects as protests in one nation inspired others, and made western observers realize the incomprehensibility of predicting such events.
5.	**The Rise of Crypto-currencies**	Cryptocurrencies like Bitcoin are volatile in price, create uncertainty in global finance, introduce complexity in their underlying blockchain technology, and present ambiguity regarding regulatory and legal stances. Traditional financial systems are seen as brittle when compared to decentralised finance, anxiety arises due to cryptocurrency's unpredictable nature, the

		technology is often incomprehensible to the average person.
6.	**Uber's Disruption of the Taxi Industry**	The rapid ascent of Uber created volatile market conditions for traditional taxis, uncertainty for regulators, complexity in terms of employment and contractual debates, ambiguity over its classification (tech company vs. transport service). Taxi worldwide felt the brittleness of their traditional models, anxiety grew among taxi drivers, the ride-sharing model's success was nonlinear compared to its humble beginning, and the business model was incomprehensible to many initially.
7.	**Climate Change and Global Responses**	The effects of climate change are volatile and can be seen in extreme weather events, the future extent these changes remain uncertain, the interconnected nature of global ecosystems displays complexity, and the varied scientific models can sometimes be ambiguous. Societal infrastructure, especially in coastal areas, can be brittle in the face of the rising sea levels. The impending changes cause anxiety among populations, the effects of global warming are nonlinear, and the vast array of data and predictions can be incomprehensible to many.
8.	**The US-China Trade War**	Fluctuating tariffs create market volatility, the future of global trade remains uncertain, the interconnectedness of global supply chains reveals complexity, and the strategies and end-goals of involved nations can be ambiguous. Perceived economic strengths of nation appeared brittle in the face of potential trade disruptions. Anxiety among industries affected by tariffs spiked economic

		retaliations from both sides displayed nonlinear outcomes, and the intricacies of international trade deal became incomprehensible for many businesses.
9.	**Trump's Sweeping Tariff**[20]	Trump's sweeping global tariff ushered a new era of trade disruption. It even sent shockwaves through global stock markets causing stock markets in Asia to dip by 7.8 to more than 12%. Even US stock markets plunged by more than 5%, the worse ever US stock decline since 2020. This shocking event has even made JP Morgan to predict that US and global economy will face a recession. As in (8) above, similar VUCA and BANI scenarios will emerge but the impact will be more severe since it's about US against the rest of the world. Even an island populated by penguins are not spared from Trump's tariff announcement.
10.	**The Asian Financial Crisis of 1997/98**	The Asian Financial Crisis is similar but not the same as the Global Financial Crisis (GFC) 2008. Yet it demonstrated more of the VUCA characteristics and less that of BANI. Further, the crisis only impacted the Asian economies unlike the GFC which was much more extensive spatially and temporally.

Conclusion

One thing for sure is that BANI world has arrived. Though both BANI and VUCA depict the complexities of our modern world, yet they are not similar though arguably they looked the same. On their similarities, both highlight the complexities of our current global landscape and accentuate the "need for adaptability, collaboration and foresight." As for their differences, one can safely claim that VUCA places more emphasis "on external

[20] The 9th and 10th real examples are not.

conditions and challenges" while BANI is fixated on how we perceive the world and "delves deeper into human perceptions and reactions to the world." [21] Furthermore, VUCA calls for the "need for adaptability and flexibility" while BANI puts emphasis on the "need for innovation and awareness of emerging trends."[22]

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[21] "VUCA vs BANI- Which Will Come Out on Top" by Alexandra Togan, Agile Blog

[22] ditto

UNDERSTANDING ARTIFICIAL INTELLIGENCE

Datuk Dr. P. Manogran and Dato' Dr. Rothiah Omar

Introduction

There is much talk these days about Artificial Intelligence (AI). What is AI? Is it a passing fad or is it here to stay and develop further? This article attempts to explain what AI is in simple terms. Some of its applications in the public sector as well as its implications are then examined for the benefit of Alumni members. For easier understanding, we start with the definitions of some key terminologies.

Definitions

AI is broadly defined as the theory and development of computer systems capable of performing tasks that traditionally require human intelligence. More specifically, AI refers to the ability of a digital computer or a robot to perform tasks that require human intelligence, such as visual perception, speech recognition, decision making, ability to reason, discover meaning, generalise or learn from past experience and identifying patterns - anything that an intelligent person normally does. According to Andrew Ng, co-founder of Google Brain and former Chief Scientist at Baidu Inc., China, AI is a "huge set of tools of making computers behave intelligently'. It can range from explicitly defined systems like calculators to machine learning-based solutions like spam email detectors.

AI is also an umbrella term in that it encompasses a wide variety of technologies, such as machine learning, deep learning, natural language processing and Large Language Models (LLM), terms that need brief descriptions at least. Machine learning is a subfield of AI in which algorithms learn patterns from historical data and provide predictions based on these learned patterns by applying them to new data. Algorithm is a set of steps for accomplishing a task or solving a problem, typically executed by computers. Deep learning is a type of machine learning based on artificial neural networks in which multiple layers of processing are used to extract progressively higher level features from data, in other words, simulating the power of the human brain in solving complex problems. Natural Language Processing (NLP) is another subfield of AI and linguistics that focuses on enabling computers to understand, interpret, and generate human language. It allows machines to bridge the gap between structured computer data and the unstructured, often ambiguous, nature of human language. It powers voice-activated assistants, real-time language translation, sentiment analysis and in transforming vast amounts of textual or spoken data into actionable insights. **A LLM is a deep learning algorithm that can perform a variety of NLP tasks.** LLMs use transformer models and are trained using massive datasets — hence, large. This enables them to recognise, translate, predict, or generate text or other content.

AI – The Beginning of More to Come

It is said that AI is only the beginning and that it is a precursor of more things to come in the larger digital and technological space. Yet, AI has a huge untapped potential to help civil servants to do things better (efficiency) and do better things (effectiveness). AI is already being used to automate tasks. Without the need for human intervention, it leads to savings in time and money. It also reduces the risk of human error. Many of us are aware that AI is used to perform tasks such as identifying the fastest route to a destination or translating text from one language to another (Google Translate). AI tools are now available to help officers to perform general tasks such as support service delivery need, translation and summarisation, identity verification, faster border clearance and in enforcement activities.

In fact, AI has a history of development. In the early days, AI systems followed rules written by humans to produce results. They did what they were programmed to do. They could not learn or adapt. In the last decade of the 20th century, AI started using machine learning, which allowed it to learn from data instead of just following rules. When fed with large datasets, it learned to identify patterns and make predictions. The rise of deep learning in the second decade of the 21st century improved AI significantly by using neural networks, which mimic how the human brain works. AI could now process much more complex data, like thousands of photos, and start generating new content. This was followed by the Generative Adversarial Networks with two AI systems, one that generates new content and the other checks if it is realistic. Now we have LLMs like GPT-3 and GPT-4 which can understand and generate human-like text as they are trained on massive amounts of data from books, websites, and other sources. AI can now hold conversations, write essays, draft an e-mail, solve problems and even generate code. Newer AI models can handle multiple types of data at once - text, images, audio, and video, thus allowing it to create content that combines different formats. For example, AI can take a written description and turn it into an animated video or a song with the help of different models integrating together.

More powerful computers and LLMs have now resulted in an AI that is more generalised, accessible and applicable with significant capabilities. Chat GPT, DeepSeek, ERNIE 4.5 and Gemini are good examples. The use of AI has now been extended to detect fraud in the finance industry where big data analysis is able to detect patterns that signal fraudulent behaviour. In the health care industry, AI-powered robotics support surgeries involving delicate organs or tissues to mitigate blood loss and risk of infection. AI has also been incorporated into applications that can perform the work of experts and professionals. For example, advanced computer systems can carry out medical diagnosis, a task that only medical experts could do in the past. AI can also be used to optimise transport system, energy consumption, improve healthcare outcomes, help those disadvantaged in society and serve citizens in better ways.

AI Adoption and Good Governance

Similar to the productivity and quality programmes introduced through the PKPA circulars in the 1980s and 1990s, the success of AI will depend on whether it is implemented in substance or in form. The process must begin with a problem and AI must be used to design solutions to address that problem, unlike the way Quality Control Circles (QCCs) were implemented in the early days when it was established first and then asked to look for problems to solve. AI should not be a hammer in search of a nail, which would be the case if the focus is on form. The effective application of AI requires officers to question and change their current mental models about work, including assumptions about how things are done. The real challenge, therefore, is the age-old issue of how we manage change, at both the individual and institutional levels.

Successful adoption of AI in the public sector requires close cooperation between the central support agencies, like the Malaysian National AI Office (NAIO), which seeks to accelerate AI adoption, foster innovation and ensure ethical development of artificial intelligence, and the AI adopting agencies. The former should provide the technical support (expertise, infrastructure, computing resources etc.,) so that agencies can focus on solving their problem well.

This powerful technology, however, must be subjected to a good governance framework which includes good testing methodologies, compliance with regulations, the sharing of best practices in areas such as data security, and to make available helpful common tools for ensuring privacy and security, testing and benchmarking, and for detecting biases and abuses. The implementing agencies on the other hand must use its energy, ingenuity, deep understanding of its functions and processes and creativity to identify problems and design solutions using AI. Good governance of AI is a whole-of-government effort and should extend into the international dimensions as this technology is largely being built and deployed from outside the country

The Threats of AI

While governments are taking advantage of AI and the digital age to reap strategic and economic benefits, they are not without threats. The first is AI-accelerated job-displacement. AI-driven productivity solutions will reduce the need for manpower. This is more likely to occur in advanced and emerging markets, and white collar work is more at risk than manual work. So we may see more 'under' employment rather than unemployment, leading to job redesign for middle-class workers leading to more inequality. The resulting uncertainty in income can lead to an increase in demand for employment support and unemployment insurance. Though these are not new, their speed and scale of occurrence will likely render our safety nets and polices such as reskilling and upskilling, job-matching and social support no longer adequate.

Second, Malaysia, like other countries, is likely to shift into an increasingly untrustworthy information ecosystem. The growth of and access to computer power, global connectivity, the convergence of technologies, democratisation of access and increasing adoption due to falling costs and cloud computing have their negative impacts with far-reaching implications. Maligned actors are already using Gen.AI to mount security attacks with increased sophistication such as AI-assisted deepfake schemes, extortion schemes, identity theft and harassment. The government will have to spend money and time to ensure data security and correct the fake news or it will lead to a decline in the trust that people have of the government.

Third, countries at the forefront of technological development or those controlling critical supply chains are exerting greater international influence and leverage, accelerating economic competition to the extent of putting some economies at risks and widening inequality between countries. A good current example is the Nvidia chips where producing countries are not allowed to sell them to certain countries and some other countries are caught in this crossfire. At the same time, the digital domain remains a battlefield, from information and psychological warfare to state-sponsored hacking, further augmented by AI. Unfortunately, these are occurring at a time when international cooperation is becoming more vital for the purpose of standards-setting, cybersecurity and regulating emerging technologies.

Fourth, though innovations in AI is led by the industry, its application cannot be left to the technologist as AI has implications for organisations, society and the economy. AI involves more stakeholders, more perspectives and varying expectations. Therefore, there is a need for more coordination, more systems-level thinking and broader perspectives. At the same time, the society as a whole must be skilled and have a mind set to embrace and use AI at different levels of complexity.

Fifth, there is a risk that some people will trust the AI tools more than they should, resulting in poor decisions and poor outcomes. It is possible that we may get incorrect but plausible answers. As the contexts for LLM summarisation increases, it is difficult to validate the quality of the summarisation. How do we ensure that this powerful technology is used in a way that is effective, safe and equitable? One way is the need to validate the summaries at task-time for their context and their specific set of inputs. However, correctness of a summarisation output is determined by the user and task specific considerations. What a specific user considers as a useful response will depend on his values, perspectives, contexts, goals, and preferences. There is a risk that another user might not agree. Such tests can only be used to flag problems. If a model does poorly on these initial tests, we should be concerned about its performance if deployed. Even if it passes these tests, we cannot be confident in its performance once deployed. Recently, BBC reported its findings on the use of a particular Gen.AI. It was reported that the tool gave wrong/outdated answers to some questions. Another concern by some critics is the comprehensiveness of the LLM. For example, leaving out information about the minorities or opportunities relevant for marginalised communities, will result in less than complete answers.

Net Benefits of AI

Despite the limitations above, the public service can still benefit from AI. A lot of tacit knowledge resides in the memory of both the serving officers and the retired officers of the public service. AI will make it easier to capture the background, especially the issues and concerns taken into consideration when making policies and decisions in the past, making knowledge management, research and analytical work a lot less tedious and at the same time bring to light things that were not thought of before. Traditionally, officers tend to identify the problem they want to solve, get the data they need and then go through the policy process before arriving at a solution. Not so with AI as it will help us to identify and tackle potential problems before they even occur. Note that the process is data-driven and it will allow us to derive insights without we having the full knowledge.

To benefit from the real potential of AI, officers must reimagine policies, processes and workflows as if starting afresh. We also need a multi-disciplinary team consisting of users with the domain-specific knowledge and technologist with the technical know-how. Furthermore, in the public sector, we need to improve the quality, quantity and access to government data sets. Sharing data is a prerequisite for AI success and organisations can no longer work in silos. Openness and forward thinking is a critical requirement.

Conclusion

As mentioned earlier AI is only the beginning. Gen. AI, a more recent development has opened new frontiers in public service delivery. It is said that it will benefit the public service in many more ways, from reinventing organisational processes and re designing workflows, to altering workforce dynamics and influencing regulatory requirements. It has resulted in the era of co-pilots where officers use software with AI to augment and enhance their daily tasks. These include chatbots to provide answers to questions, speech to text software to transcribe case notes, and AI-powered software for translation and voice generation. In fact, officers in the public service in Malaysia are provided with the Gemini Assist, a chatbot to assist them with their work. The chatbot need huge LLM with agency-specific datasets to be useful. Going beyond LLM for individual agencies to enterprise-wide platforms will liberate data from organisational silos, and by securely housing the data, along with enterprise-grade analytics and AI tools in cloud-based warehouses and made accessible for use across organizations will enhance the quality of our service delivery manifold. For this, we need a workforce with the technology quotient to drive Gen AI. This requires training to appreciate the capabilities of Gen AI.

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MADANI:
THEN AND NOW

Dato' Dr. Aizi Razman Ismail

MADANI Society

In 2023, the 'madani government' under Dato' Seri Anwar Ibrahim promoted the word "madani" to all Malaysians. We often hear the term 'Malaysia Madani' at the beginning of speeches and at the beginning and end of the news, and we even see it displayed on buses and billboards around the country. But do Malaysians know what 'madani' really means?

A fact that perhaps many Malaysians do not know is that the term 'madani' was introduced by Dato' Seri (DS) Anwar decades ago … in 1995, when he was the Deputy Prime Minister, three years before his services were terminated by then Prime Minister Tun Dr. Mahathir Mohamad (then Dato' Seri) in 1998. When DS Anwar first introduced the term, many Malaysians were not quite sure what he meant by it, and several came up with various meanings for the term. Some equated 'madani society' (or 'masyarakat madani' in Bahasa Malaysia) specifically with the inhabitants of Prophet Muhammad's (peace be upon him) Madinah – the Islamic city that professes to be a model for all mankind to follow (S. Othman, 1996, pp. 33). Others explained the term from the more general Arabic root word, 'madinah', meaning 'city' (Hassan, 1996, pp. 34) and some went further to define 'madani society' as 'the inhabitants of the city' (Azhari, 1997, pp. 5).

Professor Dr. Osman Bakar (1997) explained the term 'madani society' in its English equivalent, i.e., 'civil society', a term that was used by DS Anwar (Osman, 1997, pp. 1-4). Osman associated 'civil society' with the works of writers and thinkers of the Scottish Enlightenment in the eighteenth century such as Adam Ferguson, Adam Smith and David Hume (Osman, 1997, pp. 1-4). In Islamic thought, Osman suggests:

> "If at all there was such a thing as civil society in Islam, then the first such society in history would be the first Muslim society founded by the Prophet

> (Muhammad) (peace be upon him) in Madinah. Indeed, it would be the best civil society Islam has ever produced in its entire history. For, according to the Quran, it is the best community evolved for mankind (Quran, chapter 3: verse 110) … The Prophet's (peace be upon him) society and state in Madinah is supposed to serve as the supreme model for all Muslim generations that were to follow later." (Osman, 1997, p.7).

However, in order to ascertain what DS Anwar Ibrahim actually meant when he used the term 'madani' and 'civil society', one should quote DS Anwar himself. In his speech at the Istiqlal Festival in Jakarta on 26 September 1995, he described the term 'madani' as "… a productive social system, based on moral principles, which ensures a balance between individual freedom and stability of the society. A society that promotes individual effort and initiative, in terms of thought, art, economy and technology. A social system that is efficient and just, and administered according to the rule of law (Siddiq, 1996, pp. 3, translated by the writer of this paper from Bahasa Malaysia to English).

According to Abdurrahman Haqqi (1996), DS Anwar, in his speech at the Istiqlal Festival in Jakarta, also suggested the five factors that he considered to be essential for the establishment of a 'madani society'. When translated from Bahasa Malaysia to English, these five factors are: a stable and democratic political order, social justice, peace and prosperity for the people, upholding constitutional principles, and promoting intellectual life (Abdurrahman, 1996, pp. 10).

In the writer's own humble opinion, DS Anwar was being particularly careful not to directly express "madani society" as a synonym of Prophet Muhammad's (peace be upon him) Madinah community because Malaysia, being a multi-racial and multi-religious society, must be sensitive about issues of 'labelling' or specifying only one culture or one religion exclusively. In this sense, DS Anwar was looking for a middle path, between Prophet Muhammad's (peace be upon him) 'madani' concept and the concept of a 'civil' or 'civilised' society in more general terms. This is why he further explained that 'madani' is associated with the Arabic word 'mudun' or 'tamaddun', meaning 'civilised' (Madzlan, 1997, pp. 53).

MADANI Acronym, 2023

Twenty-eight years later, when DS Anwar launched the “Malaysia Madani” slogan on 19 January 2023, he explained the term ‘madani’ using the acronym MADANI as follows (Berita Harian, 2023):
M – keMampanan (sustainability);
A – kesejAhteraan (peace and prosperity);
D – Daya cipta (innovation);
A – hormAt (respect);
N – keyakiNan (trust); and
I – Ihsan (care and compassion).

The English acronym is SCRIPT: Sustainability, Care and compassion, Respect, Innovation, Prosperity, and Trust (New Straits Times, 2023). It is evident that the principles in the 2023 acronym MADANI or SCRIPT are somewhat different from DS Anwar’s 1995 description of a madani society, when he spoke of a social system based on moral principles, social justice, the rule of law and upholding constitutional principles. The only values that occur both then and now are: peace and prosperity (kesejahteraan); and innovation (daya cipta), which may be associated with thought and intellectual life.

Definition by Dewan Bahasa dan Pustaka

The Dewan Bahasa dan Pustaka (DBP) defines ‘madani’ as being progressive (maju) in terms of three factors (Kamus Dewan, Fourth Edition, 2013, pp. 972):

- thought/intellect (pemikiran);
- spirituality/moral principles (kerohanian); and
- (material/economic) prosperity (kebendaan).

These three factors in the DBP definition can be found in the old 1995 description, which includes thought, spirituality/moral principles, and peace and prosperity. However, only two of them are found in the 2023 MADANI acronym, i.e.: thought/intellect (pemikiran/daya cipta); and prosperity (kesejahteraan). The principle from 1995 that is also found in the DBP definition, but is missing from the 2023 MADANI acronym (which, it would be fair to say, is undeniably important in society today) is spirituality (kerohanian)/moral principles.

THEN AND NOW

In the 2023 MADANI acronym, besides prosperity and innovation, one could say that the three other principles in the acronym may be part of spirituality/moral principles, namely: respect, trust, and care and compassion. The remaining principle, sustainability, is a relatively recent one that started becoming known to most Malaysians at the end of the twentieth century and the beginning of the twenty-first, particularly after the publication of the Agenda 21 document (an action plan for sustainable development in the twenty-first century), of which Malaysia is a signatory. Here, sustainability relates to the environment – hence, environmental sustainability. Nevertheless, this leaves justice, the rule of law, and upholding constitutional principles (from the 1995 description) still unaccounted for.

Rather than attempting to fit the letters M, A, D, A, N, I into the acronym as done in 2023, perhaps another way to convey the meaning of a 'madani' society, is to look at DS Anwar's description of "madani" from 1995 together with his explanation of the acronym in 2023. If this is done, one could conclude that a "madani" society is one that is based on moral principles (which includes respect, trust, and care and compassion), promotes justice, and is administered according to the rule of law and upholds constitutional principles. A society that promotes environmental sustainability, intellectual life (a civil/civilised society) and innovation, and peace and prosperity for the people.

Trust (in the 2023 acronym), which has been translated from the Malay word "keyakinan", perhaps warrants slightly more elaboration. The Malay term "keyakinan" (which is usually translated as "confidence") has been explained by DS Anwar as "punyai kaitan yang erat dengan amanah yakni suatu ikrar pertanggungjawaban moral duniawi dan ukhrawi" (Anwar, 2022, pp. 109-110), which may be translated as 'associated with trust (amanah), which is an oath of responsibility, in this world and hereafter'. One would have thought, if this principle is to do with "amanah" (trust), the acronym could have used the "N" in "amaNah" rather than "keyakiNan".

Hence, considering the most salient factors used then (1995) and now (2023), a 'madani society' may be defined as a society that is based on:

- moral principles (including respect, trust, care and compassion);
- justice (including social and political justice);
- rule of law and constitutional principles;
- environmental sustainability;
- intellectual life and innovation; and
- peace and prosperity for the people.

These may be translated to Bahasa Malaysia as:

- akhlak (termasuk hormat, keyakinan, dan ihsan);
- keadlian (termasuk keadilan sosial dan politik);
- kedaulatan undang-undang dan prinsip-prinsip perlembagaan;
- kemampanan alam sekitar;
- pemikiran dan inovasi/daya cipta; dan
- kesejahteraan untuk rakyat.

Thus, the actual meaning of 'madani' may be summarised by the above six factors. This will hopefully help Malaysians to understand what 'Malaysia Madani' actually means. They will be talking about a Malaysian society that is based on moral principles, justice, and is administered according to rule of law and constitutional principles, promotes environmental sustainability, intellectual life and innovation, and peace and prosperity for the people.

Conclusion

To summarise, if someone asks what we mean when we say 'madani society', we may answer that by explaining that it is a society that is based on:

- moral principles;
- justice;
- rule of law and the constitution;
- environmental sustainability;

- intellectual life and innovation; and
- peace and prosperity for the people.

And in Bahasa Malaysia:

- akhlak;
- keadilan;
- kedaulatan undang-undang dan perlembagaan;
- kemampanan alam sekitar;
- pemikiran dan inovasi/daya cipta; dan
- kesejahteraan untuk rakyat.

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FORMATION OF SPAN
(*SURUHANJAYA PERKHIDMATAN AIR NEGARA*)

Tan Sri Dr. Halim Shafie

The Ministry of Energy, Water and Communications or *Kementerian Tenaga Air dan Komunikasi* (KTAK) was established after the 11th General Elections on March 21, 2004. The late Tun Lim Keng Yaik, appointed as Minister of the new Ministry, was not very pleased with the new ministry's acronym KTAK. This was after his fellow Cabinet Ministers called the ministry KATAK.

I was Secretary General of the Ministry then. I was asked by the Honorable Minister to approach the Chief Secretary to the Government) to request for a name change. The then Chief Secretary to the Government, Tan Sri Shamsudin Osman, just laughed it off, saying that the name had been decided by the Government. Thus, we had to live with it.

Along with the change in name, two new portfolios, one of which was water, were added to the existing portfolios, namely energy and communications. It was quite a strange combination, given the high-tech orientation of the energy and communication sectors, in comparison to the water and sewerage services. But the Minister had a way of making it grand, declaring that the ministry now is in charge of two services with infrastructure both in the sky (satellite communication) and the deep earth (underground water and sewerage pipes).

The Water Department was moved from the Public Works Department while the Sewerage Department was moved from the Ministry of Local Government to be placed under our Ministry. We in the Ministry began to ponder on the new initiatives that can be undertaken to better manage the two new portfolios. When water was under the Public Works Department and sewerage under the Ministry of Local Government respectively, the focus was on projects. For the Water Department, the biggest water project at that time was the transfer of raw water from Pahang to Selangor. This involved the construction of a 30-meterhigh dam across Sungai Kelau, Pahang, and the laying of water pipes from the Sungai Semantan intake in Bentong, up the mountain range at Karak and through a 44.6 km tunnel down the mountain to Sungai Langat in Selangor. The Sewerage Department, on the other hand, was busy with the large centralised sewerage treatment plants that were being built in Jelutong, Penang, and in Pantai, Federal Territory of Kuala Lumpur.

When we took over, our concern was not only with projects, but more on the sustainability of the services industry, particularly the water services industry. Water services are under state water authorities, with most except Penang, being loss making. They were not able to pay back loans taken from the Federal Government for the purpose of developing their water assets. Part of the reason for the loss was the high non revenue water (NRW). It ranged from 40% to as high as 70% for some states. Another reason was the reluctance of states to raise water tariffs for socio-political reasons.

We had familiarity with regulating infrastructure-based services such as electricity and communications. The Electricity Supply Act introduced in 1990 regulates the electricity supply industry and the Energy Commission of Malaysia, established in June 2002, implements the Electricity Supply Act to regulate the electricity and piped gas supply industries in Peninsular Malaysia and Sabah. The Malaysian Communication and Multimedia Act introduced in 1998 regulates the communication and multimedia industry through the Malaysian Communication and Multimedia Commission Act, passed by Parliament in the same year.

Both the Acts cover regulations related to technical, economic as well as consumer matters, to ensure the respective industry's sustainability, technical efficiency and customer protection. It was quite natural, therefore, that when we took over the new services, particularly water, we took a similar regulatory perspective of how to manage the water services industry for purpose of sustainability and the protection of customer interest.

Tun Lim Keng Yaik himself came up with the name SPAN – Suruhanjaya Perkhidmatan Air Negara, and we the officers, took to the drawing board to propose the structure and framework of the proposed SPAN. I remember going to the white board, drawing up three lines depicting the value chain for the three services i.e. energy, communication and water. Sewerage was left out in the discussion, because sustainability is a tricky issue for this sector, given the reluctance of many people to pay for sewerage services, partly because of the lack of awareness, and partly because of service availability even when payments are not made.

We observed that the value chains for the three sectors were similar. All have facilities for generation and transmission including the last mile, retail consumption with strong customer concerns, and high capex cost. What these mean is that a similar regulatory structure can be applied for water services, i.e. technical, economic, consumer interests and supply protection. The technical wing can look at technical aspects of water treatment plants, reservoirs and water pipes. The economic wing will look at licensing, capex cost and revenue from water tariffs while the consumer wing will look at affordability, safety, as well as quality of water.

However, under the Federal Constitution, water is a state matter, and, therefore, water services, including tariff determination have always been under the state's purview. If the Ministry is to introduce a legislation related to the water services, the Federal Constitution has to be first amended to place water services under the Concurrent List, allowing for states and federal agencies to be both responsible.

With these ideas in mind, Tun Lim Keng Yaik agreed that we test the proposed regulatory structure in Kelantan while he tests it with Tan Sri Muhyiddin Yassin, who had experience in both federal and state administrations. Dato' Tengku Shahbudin bin Tengku Mohd Maasom, the State Secretary of Kelantan, then (and my classmate at MCKK) gave positive feedback after my briefing on the proposed structure. The proposal was not meant to take away the authority of the state on water management, but to assist the state and the water authorities, particularly in the development of their water assets. We were also proposing for the formation of a Water Asset Management Company (WAMCO), now established as Pengurusan Aset Air Berhad (PAAB) to provide cheaper financing for state water authorities to develop their water assets. With cheaper infrastructure cost, states can then better manage their income flows, and tariffs.

After hearing out Tun Lim Keng Yaik, Tan Sri Muhyiddin also gave a positive response. Together with KPMG, a consulting firm, we started developing the regulatory framework, proposing SPAN (Suruhanjaya Perkhidmatan Air Negara) as the water regulator.

To place water in the Concurrent List, the Federal Constitution has to be first amended. Recognising the sensitivities involved, we did quite a massive road show, engaging all the Menteri Besars, and the State Executive Council members (EXCOs), except for Sabah and Sarawak. The Menteri Besar of a small state was so supportive that he even jokingly suggested that we can even transfer the river in the state to Putrajaya! A briefing was also given to the Rulers' Council, which then appointed the then Sultan of Perak as their adviser. Subsequently, another briefing was made to His Royal Highness in Ipoh. Apart from the state authorities, there were also consultations made with various interested organisations, state senior officers and Members of Parliament. Altogether, we did about 42 consultations before the proposed bill to amend the Constitution, and later on for the establishment of SPAN, were presented for approval to Parliament.

The amendment to the Federal Constitution was completed in 2005, to place water supplies and services under the concurrent list that is under the jurisdiction of both the Federal Government and the State Governments. The Water Services Industry Act was introduced in 2006 that has a provision for the establishment of Suruhanjaya Perkhidmatan Air Negara (SPAN) under the SPAN Act 2006. The Perbadanan Aset Air Berhad (PAAB) was also established in 2006 under the Ministry of Finance.

This water regulatory project was a major learning experience for all of us. What started as an idea from the Minister, the late Tun Lim Keng Yaik, was taken and followed through diligently by the officers, led by the Deputy Secretary General, Dato' Teo Yen Hua. With the help of KPMG and the Attorney General's Office, SPAN was established. Dato' Teo Yen Hua was subsequently appointed the first CEO of SPAN when it began operations in 2007.

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