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MEDIA STATEMENT

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GLC TRANSFORMATION PROGRAMME ON TRACK WITH THE LAUNCH OF ADDITIONAL THREE INITIATIVES ON REGULATORY MANAGEMENT, SOCIAL RESPONSIBILITY AND CONTINUOUS IMPROVEMENT.

Today, Second Finance Minister, Y.Bhg. Tan Sri Nor Mohamed Yakcop, launched an additional three Initiatives as part of the GLC Transformation Programme at the Eleventh Meeting of Putrajaya Committee for GLC High Performance (PCG 11), which was also attended by the CEOs of the G20.

The three Initiatives launched today are:

1. Initiative 4: Programme for Managing Regulatory Environment
2. Initiative 5: Silver Book (Achieving Value through Social Responsibility), and
3. Initiative 10: Programme on the Framework for Continuous Improvement.

The GLC Transformation Programme is shifting its focus towards more operations-based Initiatives, in line with the overall Programme direction. The theme moving forward “from managing initiatives towards managing results” marks that natural progression of the Programme, and the three Initiatives launched today further reinforce that progress.

Initiative 4 on Managing Regulatory Environment, is a mid-to-long term programme. It seeks to strengthen the GLCs’ regulatory capabilities - especially GLCs in the telecommunications, airlines and utilities sectors – to shape and execute their regulatory agenda.

At the end of the programme, the GLCs should be able to engage more effectively in dialogues with Policymakers, Regulators and other key stakeholders such as Non Governmental Organisations (NGOs) and consumer groups. The outcomes of the programme will be codified into a White Book.

Initiative 5, or Silver Book, has three key objectives. These are to clarify expectations on the GLCs’ contribution to society, to guide the GLCs in evaluating their starting position in contributing to society, and to provide the GLCs with a comprehensive set of tools, methodologies and processes to proactively contribute to society in a responsible manner while still creating value for their shareholders.

With the Silver Book, the GLCs are expected to formulate a comprehensive policy on their contributions to society that goes beyond corporate philanthropy. In doing so, the GLCs will be able to meet the aspirations of the Ninth Malaysia Plan, as well as the recently announced 2007 Budget.

Initiative 10’s core emphasis is grounded on the philosophy of continuous improvement. This Initiative is aligned with Policy Thrust 4 of the GLC Transformation Manual, which advocates the adoption of corporate best practices within the GLCs.

Many of the GLCs are already implementing some form of operational enhancement initiatives. With the continuous improvement programme, it is envisaged that the GLCs will further reinforce this mindset of continuous improvement in their day-to-day operations.

This programme will be rolled out over the next six months through a series of workshops, seminars and circles. At the end of the programme, the outcomes will be codified into the Yellow Book.

Y.Bhg Tan Sri Nor Mohamed Yakcop said: “The implementation and operationalisation of these three Initiatives will also facilitate greater clarity, clearer guidelines and stronger endorsement to GLCs in setting their targets in relation to their social and business objectives.”

He further adds that the Government is fully committed and determined to drive the development of GLCs. “We want our GLCs to be robust to ensure that they are well positioned to handle and face the challenges of the 21st century.”

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List of 10 Initiatives

1.0	Enhancing Board Effectiveness	To enhance Board effectiveness through revamping Board practices and processes	Green Book
2.0	Strengthening Directors Capabilities	To develop a strategy to match Directors to the right Boards and also to establish a Directors Academy	Directors Academy
3.0	Enhancing GLIC M&M Functions	To reinforce the ability of GLICs to monitor and manage individual GLCs	Blueprint for GLICs
4.0	Improving Regulatory Environment	To enhance regulatory capabilities at GLCs and create a Regulatory Knowledge Network	Programme for Managing Regulatory Environment
5.0	Achieving Value through Social Responsibility	To guide GLCs in becoming responsible corporate citizens while creating value for their shareholders and stakeholders	Silver Book
6.0	Reviewing and Revamping Procurement Practices	To enhance the effectiveness and efficiency of the procurement processes in GLCs	Red Book
7.0	Optimising Capital Management Practices	To establish guidelines for GLCs to optimise their capital structure	Purple Book
8.0	Strengthening Talent Management Practices	To improve GLCs capabilities in attracting, developing and retaining talent through the adoption of best practices	Orange Book
9.0	Intensifying Performance Management Practices	To encourage adoption of performance management best practices at GLCs	Blue Book Version 2 Announcement of Headline KPIs Programme on Value-Based Management
10.0	Enhancing Operational Efficiency and Effectiveness	To enhance operational efficiency and effectiveness through the adoption of a Framework for Continuous Improvement	Programme on the Framework for Continuous Improvement

The GLC Transformation Programme

The GLC Transformation Programme was first launched in May 2004 and is part of an ongoing effort by the Government to drive development and grow the economy. The launch saw the introduction of the key performance indicators, Board composition initiatives, the revamp of Khazanah Nasional Berhad, as well as changes in the management of a number of GLCs.

On 29 July 2005, YAB Prime Minister launched the GLC Transformation Manual which contained five Policy Guidelines and 10 Initiatives that are targeted to drive and enhance GLC performance. The Blue Book on Intensifying Performance Management Practices was also launched simultaneously.

Subsequently, on 26 April 2006, YAB Prime Minister launched two additional Initiatives namely, the “Green Book” on Enhancing Directors Effectiveness, and the “Red Book” on Procurement Guidelines & Best Practices.

The remaining Initiatives are scheduled to be launched by end 2006.

The Putrajaya Committee on GLC High Performance (PCG)

To sustain the momentum created by the launch of initial measures, the PCG was formed in January 2005 to follow through and catalyse the GLC Transformation Programme. The PCG is chaired by the Honourable Second Finance Minister and comprises the Heads of the Government-Linked Investment Companies (GLICs) namely Khazanah Nasional Berhad (KNB), Permodalan Nasional Bhd (PNB), Employees Provident Fund (EPF), Lembaga Tabung Angkatan Tentera (LTAT) and Lembaga Tabung Haji (LTH), as well as representatives from the Ministry of Finance Inc. (MOF) and the Prime Minister’s Office to work together to monitor developments and to recommend further measures of improvements.

A Transformation Management Office (TMO) has been established at Khazanah Nasional Berhad which serves as the Secretariat to the PCG. The TMO is responsible for managing the roll-out of the Initiatives proposed in the Manual and reporting progress to the PCG.