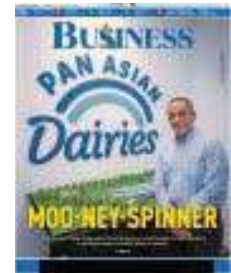


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DIGITAL TRANSFORMATION

BIGGER GLCs URGED TO STEP UP

Malaysia lags behind in areas such as big data space, says Khazanah

KUALA LUMPUR

LARGER government-linked companies (GLCs) are lacking ambition with regard to digital transformation and are too contented with where they are, said Khazanah Nasional Bhd deputy managing director Tengku Datuk Seri Azmil Zahrudin Raja Abdul Aziz.

Large companies often struggled with digital transformation despite having better access to markets, he said.

"GLCs need to step up. There are a lot of opportunities for large companies to accelerate growth. Malaysia is still behind globally, such as in the big data space. There are only a few companies that are adopting big data analytics, such as Grab," he said at a post-2020 Budget forum organised by RHB Bank Bhd recently.

Citing an example, he said Bursa Malaysia had the same 30 largest stocks over the years whereas in the United States, this had changed.

"This shows Malaysia lacks am-

bition to grow and change. As such, GLCs will need to step up and not tolerate management teams that are unambitious," he said at a session on "Digital Economy Accelerated" at the forum.

Tengku Azmil said public-private partnerships were the key to succeed in a digital economy.

The success is also dependent on incentives and grants as well as the companies' willingness to embrace the digital economy.

The panellists were Malaysian American Electronics Industry chairman Datuk Seri Wong Siew Hai, Malaysian Communications and Multimedia Commission chief development officer Bawani Selvaratnam, Real Estate and Housing Developers' Asso-

ciation president Datuk Soam Heng Choon, Securities Commission executive director Chin Wei Min and Grab Malaysia country head Sean Goh.

RHB Bank said the panellists had given an average rating of seven out of 10 on digital economy initiatives in the 2020 Budget. They agreed that the budget had laid a foundation to spur growth.

Wong said market access remained the biggest challenge to small and medium enterprises (SMEs), not access to financing.

Investors were unaware of some SMEs due to the lack of visibility, he said.

Wong proposed the setting up of a virtual platform for SMEs to

gain better market access.

Goh said SMEs were likely to adopt front-end changes if they were shown how digital initiatives were able to help generate extra revenue.

He believed that SMEs should focus on end-to-end digitalisation, which was more powerful and inclusive.

Selvaratnam said there had to be a shift in mindset, citing an example where the telecommunications industry should not just focus on connectivity but rather value-added services in order to remain relevant.

Regulators also played an important role in innovating and accelerating the deployment of infrastructure, he added.