



ROLES OF PSDC IN DEVELOPING THE MALAYSIAN PROFESSIONAL SERVICES SECTOR

**IR. AHMAD 'ASRI ABDUL HAMID
PRESIDENT
PROFESSIONAL SERVICES DEVELOPMENT
CORPORATION (PSDC), MALAYSIA**

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- **ABOUT PSDC :-**
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 - **ROLES**

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ESTABLISHMENT OF PSDC

- ✓ **Based on Memorandum submitted to Government by 22 PS associations led by Board of Engineers**
- ✓ **Recommendations include defensive measures, the need to support capacity building & export and establishment of 2 entities, namely NAPSEC & PSDC**
- ✓ **Stipulated role of PSDC – a lead agency to enhance the capacity, capability & international competitiveness of Malaysian PS firms**

ESTABLISHMENT OF PSDC

- ✓ **Established on 30th April 2002**
- ✓ **As a company limited by share**
- ✓ **Fully owned by the Ministry Of Finance**
- ✓ **Placed under supervision Of Ministry Of Works**
- ✓ **Governed by a Board of Directors comprising private & public sector, chaired by Secretary General, Ministry of Works Malaysia**

RATIONALE FOR ESTABLISHMENT OF PSDC

The need for a focal institution to accelerate capacity building of PS firms to face the challenges that come with liberalization in view of the :-

- 1. Lack of competitiveness of some Malaysian PS firms (80% small-sized firms with technical competencies but limited resources)**
- 2. The importance of the PS sector**

IMPORTANCE OF THE PROFESSIONAL SERVICE SECTOR

- i. Fast growing sector (CAGR of 35.5% from 2007 to 2009)**
- ii. Contribution to GDP (1.3% of total GDP)**
- iii. Professional Services tax continue to increase (216% increase from RM176 million in 2000 to RM351 million in 2008)**

IMPORTANCE OF THE PROFESSIONAL SERVICE SECTOR

- iv. Highly productive (generated 1.3 times more revenue than Malaysian employee in 2008)**
- v. Support Employment (1.2% of total workforce, 134,591 in 2005)**
- vi. Support Other Industries**
- vii. Contribution through export**

Exporting PS Firms

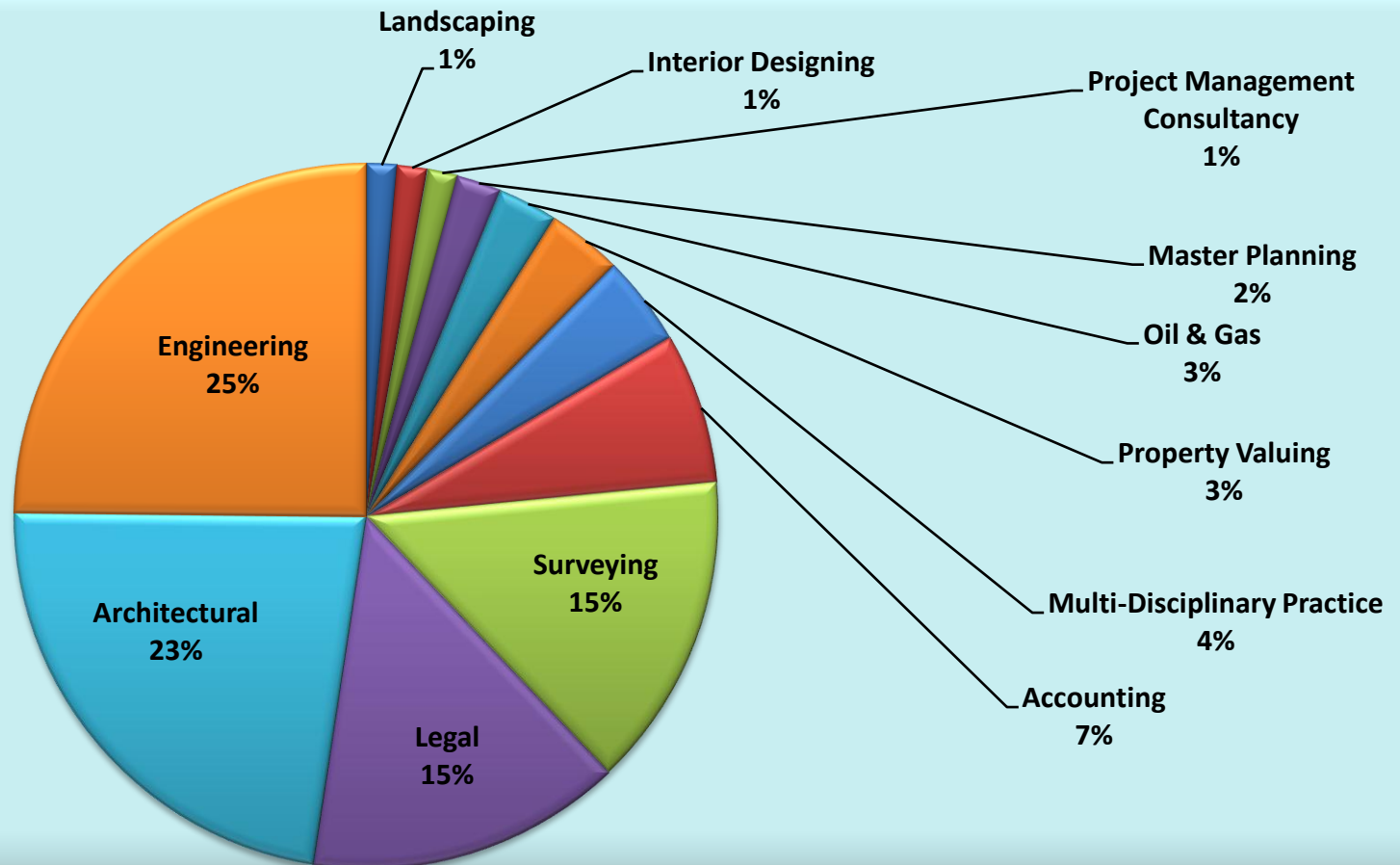
145 PS firms involved in 735 overseas projects in 83 countries

Construction Sector		Non-Construction Sector	
Disciplines	No. of Firms	Disciplines	No. of Firms
Engineering	36	Legal	21
Architectural	33	Accounting	10
Surveying	21		
Multi-Disciplinary Practice	6		
Property Valuing	5		
Master Planning	3		
Landscaping	2		
Interior Designing	2		
Project Management Consultancy	2		
Oil & Gas	4		
Subtotal	114	Subtotal	31

TOTAL 145

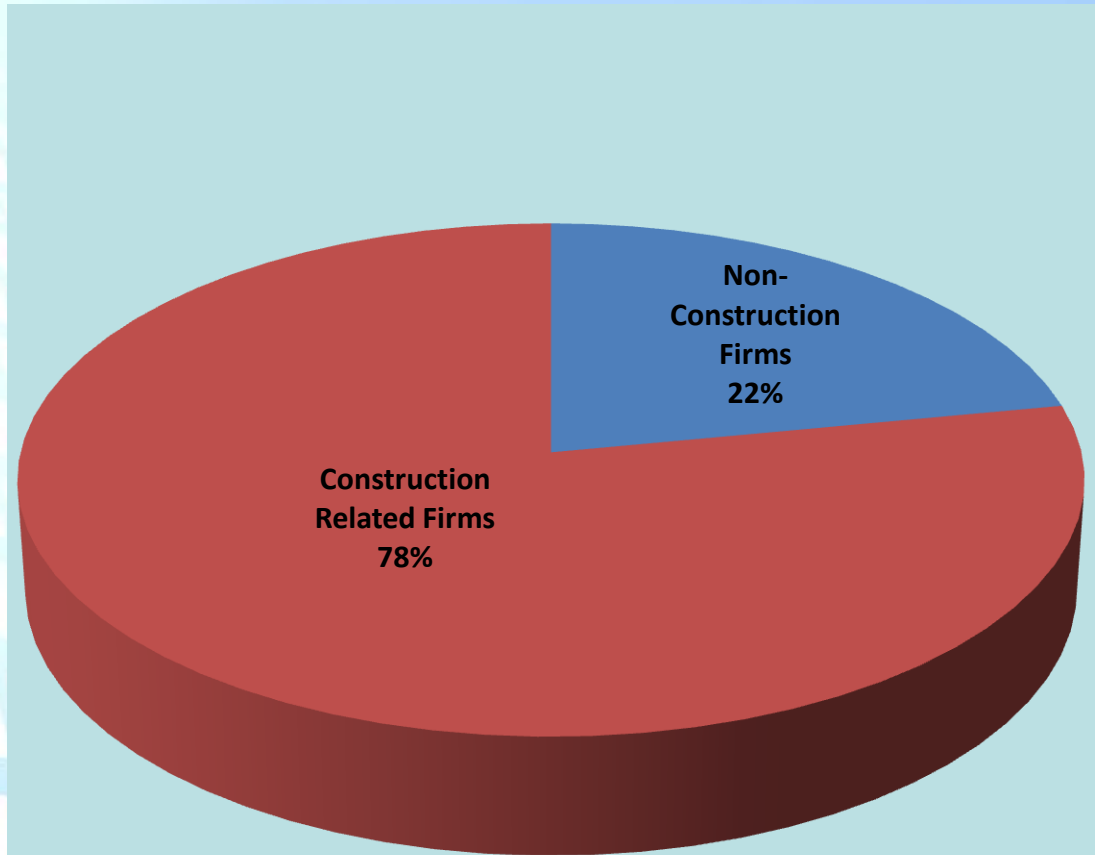
Breakdown of Exporters

25% engineering, 23% architectural & 15% each from legal & surveying & 7% accounting



Breakdown of Exporters by Sector

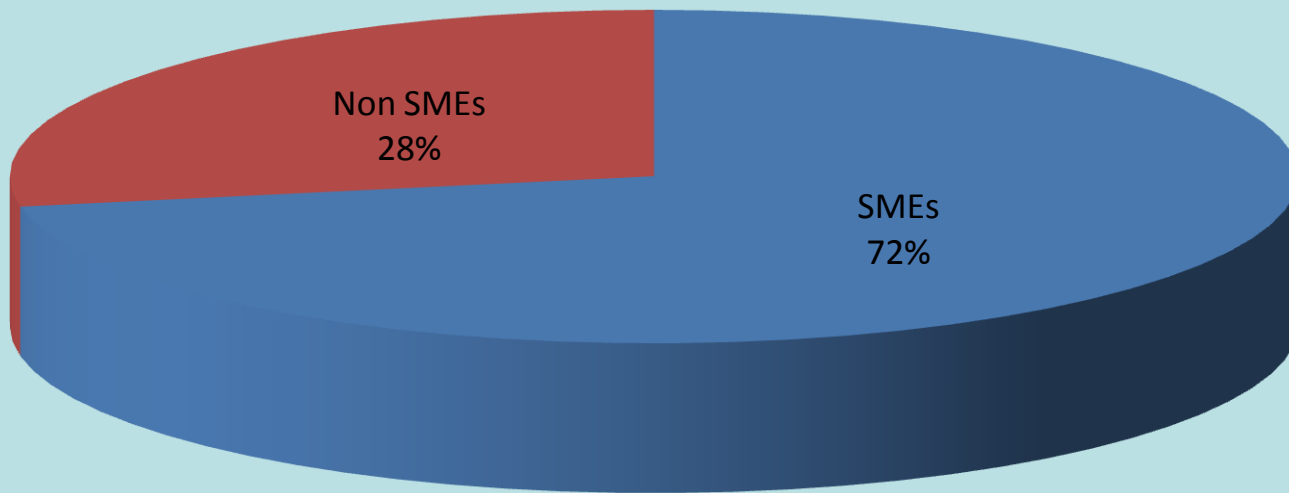
- 78% exporters from construction sector
- 22% from the non-construction sector



Size of Exporters

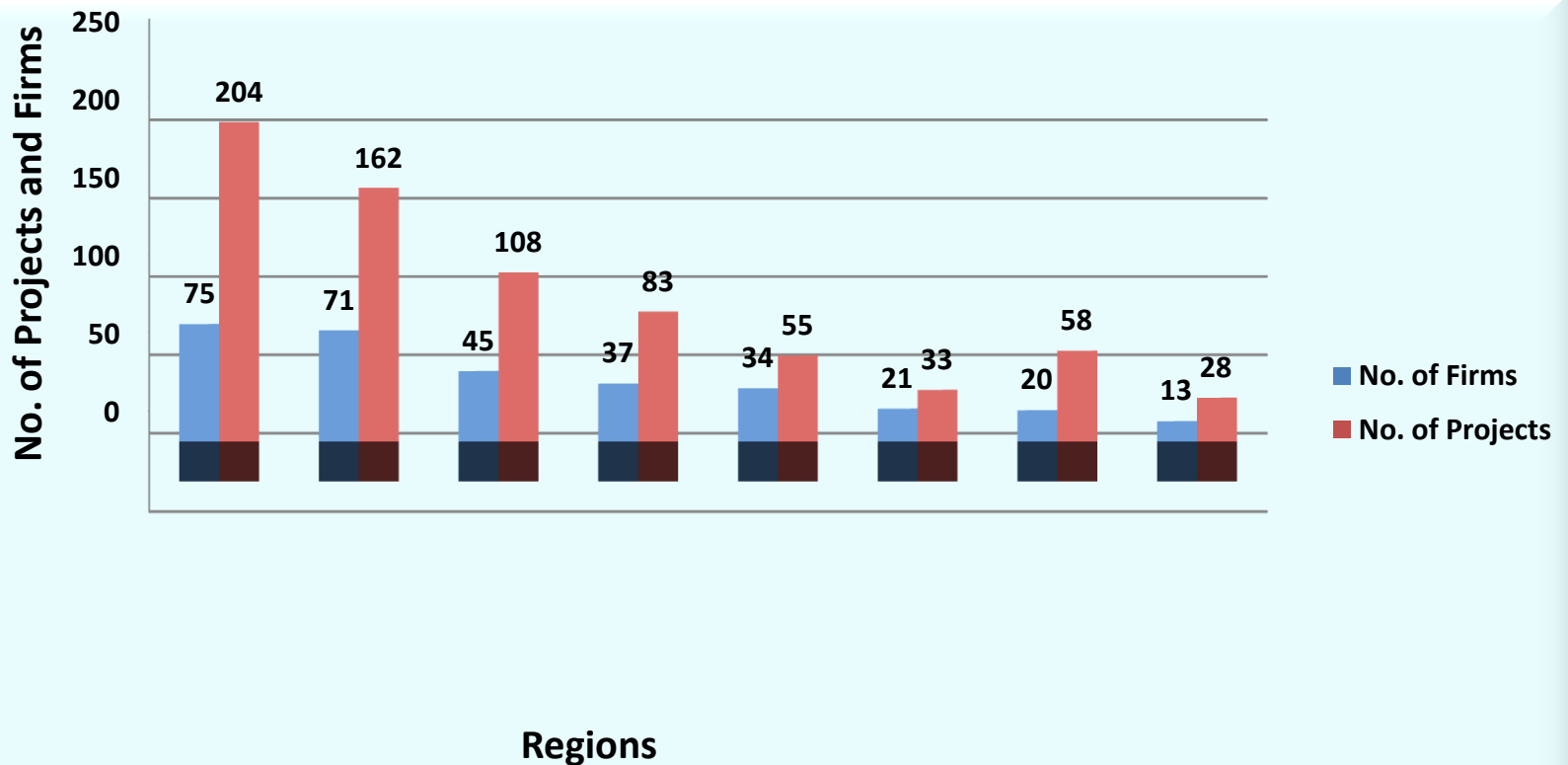
- 72% of exporters are SMEs
- 28% are non-SMEs

SME Status	No. of Firms
SMEs	104
Non-SMEs	41



EXPORT OF PS BY REGIONS

Exporting firms have the most presence in ASEAN, followed by the Middle East and Other Asian Countries



EXPORT OF PS BY COUNTRIES

Top 10 Countries of Export

Country	No. of Firms	No. of Projects
UAE	28	56
Vietnam	26	48
Indonesia	23	27
Saudi Arabia	21	30
India	17	31
China	14	53
Sudan	14	23
Pakistan	13	27
Qatar	11	14
Philippines	10	15

RATIONALE FOR SCOPE

DEFINITION OF PS

“Professional service is a service requiring specialized knowledge and skill and usually of a mental or intellectual nature and usually requiring a license, certification or registration”

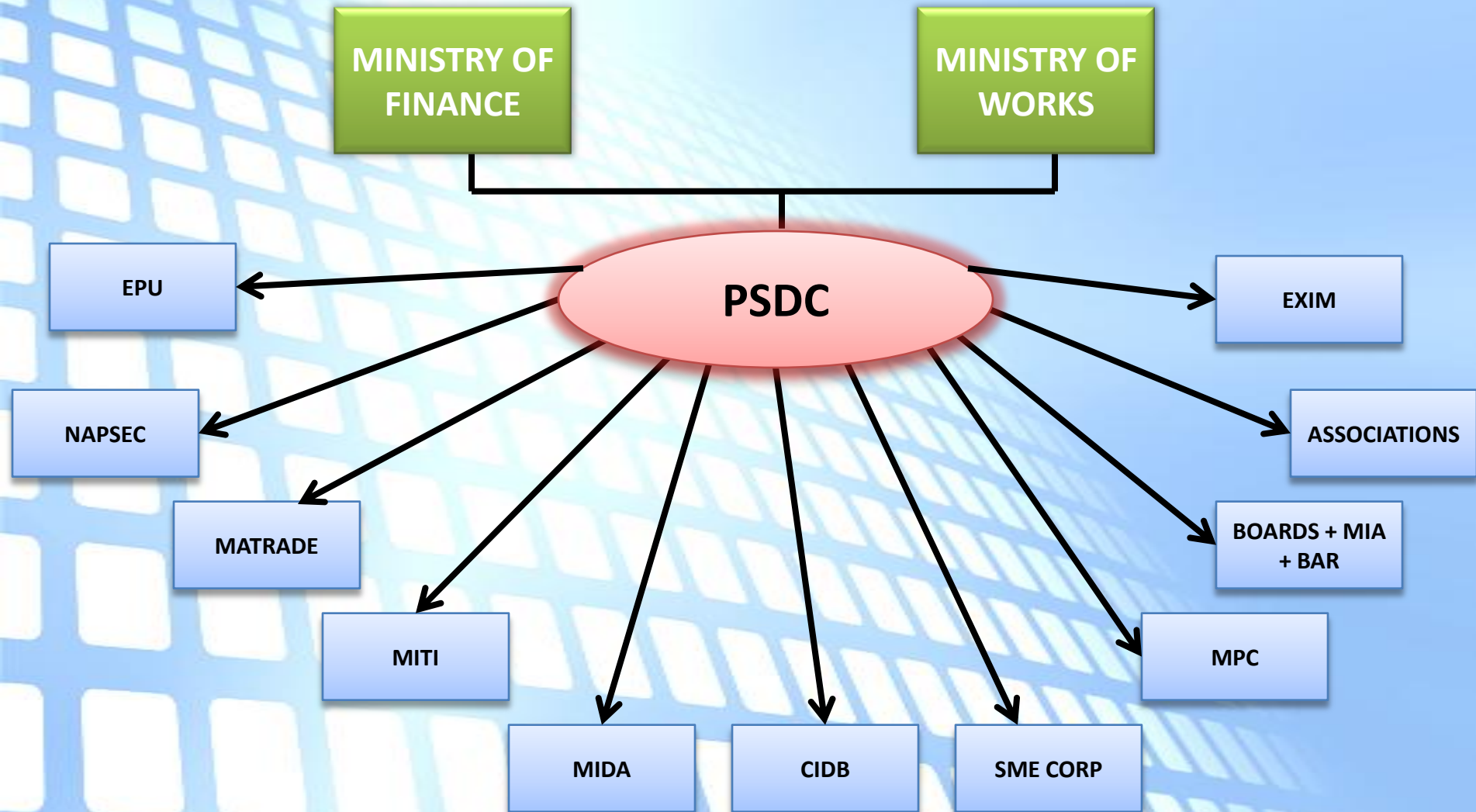
KEY ELEMENTS OF PROFESSIONAL SERVICE DEFINITION

- **KNOWLEDGE-BASED - INVOLVE SPECIALISED KNOWLEDGE & SKILLS**
- **BASED ON PEOPLE, i.e. PROFESSIONALS**
- **PROFESSIONALS GOVERNED BY CODE OF ETHICS**
- **REQUIRE LICENCE, CERTIFICATION, QUALIFICATION OR REGISTRATION**

SCOPE OF PROFESSIONALS COVERED BY PSDC



PSDC STRUCTURE & KEY STAKEHOLDERS



ROLES OF RELATED INSTITUTIONS

	C&C	EXPORT	REGULATORY	OTHERS
PSDC	✓	✓		
NAPSEC		✓		
MATRADE		✓		
MITI				Policy Coordination for services
MIDA				Promote Service Investment
CIDB	✓	✓	✓	
SME CORP	✓			
MPC	✓			
BOARDS +MIA + BAR	✓		✓	
ASSOCIATIONS	✓			
EXIM BANK		✓		Financial support for export
EPU				Economic Policy & Planning

VISION

**TO BE THE PRIME MOVER OF
MALAYSIA AS A LEADING EXPORTER
OF PROFESSIONAL SERVICES**

MISSION

To Create World Class Professional Service Providers, through :

- **Promoting our professionals overseas**
- **Building their capacity and capability**
- **Advocating for the professionals**
- **Being an information centre**

MAJOR SCOPES OF ACTIVITIES

- **Capacity & Capability Building**
- **International Marketing**
- **Advocacy for Professionals**
- **Information Hub**

CAPACITY & CAPABILITY BUILDING

Enhancing the Capacity & Capability of Professional Service firms through training on :-

- i. Export (e.g. International Marketing, International Strategic Mgmt, International Tax Mgmt)**
- ii. Best practices (e.g. Value Management, 6 Sigma)**
- iii. Soft skills (e.g. Finance for non-finance)**
- iv. Technology (e.g. BIM)**
- v. Training for Accreditation and Certification (ISO, PMP)**



INTERNATIONAL MARKETING

Enhancing the involvement of PS firms in the international market through:

- i. Promotion of achievements & capabilities of Malaysian PS firms**
- ii. Dissemination of information on overseas opportunities**
- iii. Facilitation of Ventures & Financial Assistance**
- iv. Monitoring & assisting in addressing issues in international projects**

ADVOCACY FOR PROFESSIONALS

Advocating for the PS firms through:

- i. Coordinating the initiatives towards liberalization**
- ii. Providing the platform for discussion between PS & the Government**
- iii. Developing & enhancing international linkages**
- iv. Assisting in identifying & raising pertinent issues related to PS sector**



INFORMATION HUB

Being the centre of information for the Professional Service Sector & providing platform for networking through :-

- i. Development of portal for the PS sector**
- ii. Development & maintenance of database & profile of PS firms**
- iii. Publication of promotional materials for Malaysian professional services sector**

PROPOSAL TO STRENGTHEN PSDC

To enhance effectiveness of PSDC, 2 challenges need to be addressed :-

- **Status as a company**
 - ✓ **Profit vs developmental roles**
- **Limited support from stakeholders**
 - ✓ **Status as a company**
 - ✓ **Absence of source of power (Government funding, statutory/regulatory, ability to influence policy)**
 - ✓ **Under Min. of Works (not in line with scope of clients & perception it is construction-biased)**

THE WAY FORWARD FOR PSDC

- **CHANGED TO STATUTORY BODY UNDER MITI**
- **ALLOCATED SUFFICIENT AND SUSTAINABLE FUNDING**
- **EMPOWERED & RECOGNISED AS PS CLUSTER LEADER, POSITIONED TO GET COMMITMENT & LEVERAGE ON INDUSTRY, RELATED GOVERNMENT AGENCIES, INSTITUTIONS, ASSOCIATIONS & BOARDS**

CONCLUSIONS

- **PS SECTOR IS IMPORTANT TO NATION'S ECONOMY**
- **ESTABLISHMENT OF ENTITY TO SPEARHEAD PS SECTOR DEVELOPMENT IS APPROPRIATE**
- **ENTITY MUST BE PROVIDED SUFFICIENT & CONTINUOUS FUNDING**
- **ENTITY MUST BE EMPOWERED & RECOGNISED AS PS CLUSTER LEADER**
- **SUCCESS OF ENTITY WOULD DEPEND ON LONG-TERM & FIRM COMMITMENT FROM STAKEHOLDERS**



THANK YOU