

'Think big' policy backfired: Dr M

By AZAM ARIS BT 27 JUL 1990

THE Government's policy of asking Bumiputeras to "think big" in business has backfired and this, Prime Minister Datuk Seri Dr Mahathir Mohamad, said, has partly contributed to the failure of achieving the 30 per cent Bumiputera equity target in the corporate sector as envisaged under the New Economic Policy (NEP).

He said the Government, in implementing the 20-year NEP, had provided a lot of assistance and introduced many good policies to help Bumiputera entrepreneurs but the "think big" policy led to too many wanting to get rich quick.

"Yes ... we asked them to think big, but Bumiputera businessmen only think about getting huge profits but forget the fact that in big business you can also incur huge losses.

"From now on Bumiputera entrepreneurs should adopt the 'step-by-step' business management policy. In this way one's business can grow gradually but surely into a big-scale operation," he said at the opening of a national businesswomen's symposium in Kuala Lumpur yesterday.

Citing an example, Datuk Seri Dr Mahathir said a Bumiputera fisherman who had a boat stopped fishing, and rented it

HEALTH Minister Ng Cheng Kiat will continue to hold the portfolio as the Prime Minister has not made any decision pertaining to his position in the Cabinet.

Datuk Seri Dr Mahathir Mohamad said Mr Ng, who met him on Thursday, merely expressed his desire to resign. There was no official letter, he added.

"At the moment, there is no need for me to decide anything as he has not yet resigned," he told reporters after opening a symposium on women entrepreneurs in Kuala Lumpur yesterday. — Bernama

out to tourists as this brought in more money for him. The fishermen soon bought another boat and expanded his fleet to ten by getting loans from banks.

"But business soon went bad due to poor management, high overheads and fluctuating business. When he was a fisherman with one boat he did not owe anything to the bank, now with ten boats he is heavily in debt," Datuk Seri Dr Mahathir said.

He added that Bumiputera entrepreneurs should learn from the Look East Po-

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licy and expand their companies on a step-by-step basis.

The Prime Minister said one of the reasons for the failure of achieving the NEP target is poor management, adding that the Government is taking steps to improve this by setting up universities which specialise in business administration, such as Universiti Utara Malaysia.

"All of us can get involved in business but not many really have business know-

how. Bumiputeras need to identify their weaknesses and learn the finer aspects of management to succeed," he said.

Datuk Seri Dr Mahathir said the NEP targets, especially the 30 per cent Bumiputera share in the corporate sector, cannot be achieved if Bumiputeras do not hold on to the shares allocated to them.

In restructuring foreign and local

companies to comply with the NEP, share allocations to Bumiputera organisations and individuals are made but not many, especially individuals, hold on to their shares.

"Most individuals go for short-term gains. To them, this is more important than holding on to their shares and maintaining the Bumiputera stake in the company.

"If this continues, there will be less

Bumiputera participation in the economy. Going for quick profit has caused a lot of failure in government policies," Datuk Seri Dr Mahathir said.

To increase Bumiputera participation in certain sectors, a lot of licences were issued to them but there are still cases of these licences being hawked to others.

Bumiputera holdings in the properties sector were also reduced when a lot of

them sold their properties just when the market was getting bullish — again going for short-term gain instead of long-term profit.

"Bumiputera businessmen have to change their attitude and know their weaknesses. It's easy to blame others, but others will not work for you to ensure your success," he said.