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Many opportunities in 'Boleh-land' now

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WE have mouths to speak, minds to think, hands to work, and feet to walk. With those, anything is possible. These are the words of a renowned tycoon.

In a land where countless opportunities await the people, Malaysia is "Boleh-land". "Malaysia has the political will and the power to rapidly change any existing laws or policies that impede the ability of companies to capitalise on the benefits afforded by the Information Age," say the marketers of Malaysia Inc from the Multimedia Development Corporation.

A nation that turned 40 on Aug 31 (34 years old on Sept 16, actually) has its own home-grown billionaires and multi-millionaires. Absolute poverty is virtually non-existent, although three decades ago more than half the population fell into that category.

How did it all begin? In 1969 Malaysia was still a lowly Third World country whose main exports were rubber and tin - courtesy of our former colonial masters.

Today, more than 80 per cent of Malaysia's exports are manufactured goods, mostly high-tech components - an incredible transformation from a traditionally agrarian society to the modern hub of technology in the region. It is a small Southeast Asia nation, 21 million population, now the 19th largest trading nation in the world and ranks among the top 10 in terms of trade competitiveness.

Socio-economic engineering has been a vital, though controversial element of our success. In an address to students in the United Kingdom last year, Prime Minister Datuk Seri Dr Mahathir Mohamad commented on the New Economic Policy (NEP).

"The whole scheme was not premised on taking from the richer Chinese in order to enrich the Malays, but on stimulating the growth of the economic cake and then distributing the enlarged cake to correct the economic imbalances between the races," he said.

When it was written up under a panel headed by the then Deputy Prime Minister Tun Abdul Razak, the NEP in essence would seek to attain for the Malaysia and other indigenous races of Malaysia a 30 per cent share of the nation's corporate wealth as well as eradication of poverty and the cessation of all identification of race with "economic function".

Who would have thought such a far-fetched scheme would succeed? Just look at the country today.

The success of the NEP was not easily won. Cries of protest greeted its launch in 1971. In order to achieve political stability to spur economic growth the Chinese had to relinquish their monopoly of the economy, which was about 30 per cent at that time compared to the 1.5 per cent of the Bumiputeras (the rest were in the hands of foreigners).

Understandably, some took their money and left. Most stayed, for they had faith in the country and its leaders. Thus began a symbiotic relationship between Bumiputeras and non-Bumiputeras. Non-Bumiputeras took in Bumiputera partners for their business, as required under the new policy, and helped them learn the ropes of the business.

Of course, things weren't always what they seemed to be. More often than not, business had a Bumiputera frontman, while the real work was done by the non-Bumiputeras. This state of affair defeated the purpose of the policy. But it was the NEP that gave birth to a new generation of Malay businessmen, now billionaires and multi-millionaires, a manifestation

unheard of before.

The list grows every day: Rashid Hussain, Tajudin Ramli Halim Saad, Azman Hashim, Azmi Wan Hamzah, the late Yahya Ahmad. And where do the Chinese stand nowadays? They are still here, better than ever before: Lim Goh Tong, Robert Kuok, Quek Leng Chan, Vincent Tan, William Cheng, Yeoh Tiong Lay and Teh Hong Piow.

One of Malaysia's great economic successes was the creation of Perbadanan Nasional (Pernas) towards the end of 1969. In the '70s, Pernas sought to gain control of the plantations and the mining sector from the British - a coup it achieved quite successfully.

In 1975, Pernas acquired London Tin, and turned it into Malaysia Mining Corp, which is now the biggest tin company in the world. Then, still under the chairman of Tengku Razaleigh Hamzah, Pernas went after Sime Darby with some help from OCBC of Singapore.

The next attempt to take over Guthrie's of London was unsuccessful, however. In 1978, another state enterprise - Permodalan Nasional Berhad (PNB) - was formed. Through Rothschild Merchant Bank of London, PNB took over where Pernas left off, and launched a dramatic takeover bid.

In 1981, PNB launched the "Dawn Raid" on Guthrie, and caught the British firm unaware. The British Government immediately stepped in, declaring that "dawn raids" were henceforth to be regarded as illegal. But by then as Guthrie Corp was already back in Malaysian hands.

In June 1981, Dr Mahathir began his reign, bringing with him bold, initially unpopular innovations. In 1982, the Malaysia Incorporated policy was introduced.

The idea was based on "Japan Inc", which is a close collaboration between the Japanese private sector and the government bureaucracy. Malaysia Inc is premised on the belief and conviction that the economic growth and overall development of the country can be facilitated by the close cooperation between the private and public sectors.

This policy was followed by the privatisation policy in 1983 to further reinforce the pro-private sector stance of the Government. Many considered Malaysia Inc a farce as they saw this as an attempt by the Government to exert favouritism on an elite group of entrepreneurs closely linked to the leadership.

It is no secret that most of the people mentioned in the list of names above are favoured by Dr Mahathir himself and his close confidante, economic czar Tun Daim Zainuddin. But Malaysia Inc has been successful in luring foreign investment into the country, while privatisation has contributed about a quarter of the market capitalisation of the Kuala Lumpur stock exchange.

The year 1990 signalled the end of the reign of the NEP. But has it achieved its goals? There are as many rich Bumiputeras as there are rich non-Bumiputeras today. More often than not, the 500SL Mercedes you see on the road belongs to some young Malay businessman.

Would we have come so far without the NEP? So what happens next? The National Development Policy (NDP) was adapted in 1990 to pick up where the NEP left off. The goals are simple: to attain a balanced development in order to establish a more united and just society as envisioned in Vision 2020.

Surely to achieve a more united society means an end to the preferential policies of the NEP. Would the "sons of the soil" be able to cope without the perks and extras? Due to the shrouded implementation of the NDP, many believe that it is just a continuation of the NEP under a new name.

The outspoken UmnoYouth leader Datuk Zahid Hamidi has already brought up the matter of abolition of the preferential policies, for only then will the real test come. The NEP cannot be considered a total success unless

the Bumiputeras are able to compete with everyone else on common ground - unaided. We have come a long way since the Tunku Abdul Rahman uttered "Merdeka". An average growth of 6.7 per cent since independence, and more than eight per cent for the past eight years. Per capita income is now about US\$4,000 (RM12,000) compared to US\$300 three decades ago.

Infrastructure projects are carried out every day - from the Kuala Lumpur International Airport, Bakun Dam, the Kuala Lumpur City Centre, to the Multimedia Super Corridor. We are launching major marketing campaigns all over the world, with our Prime Minister as our super-salesman. From a sleepy hollow, Kuala Lumpur is now home to the tallest building in the world. Malaysia might yet become the regional centre of Southeast Asia.

"We experimented. We set up government companies. We trained executives. Sometimes we identify the right formula, sometimes we don't." Dr Mahathir summed it all up nicely. The second most powerful man in Asia has this vision: a Malaysia that is by the year 2020 "prosperous, democratic, economically just, psychologically liberated, ethnical, progressive and tolerant, in which citizens of all colours and creeds ... feel they belong to one nation".

In "Boleh-land", anything is possible. As long as the cake grows, everyone will be happy with their share. Let's keep it that way. - ethos (Journal of the Internatioal Malaysia Forum).

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