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Towards greater cooperation and participation

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ON TUESDAY, when Tun Daim Zainuddin told foreign journalists that non-Bumiputeras may be allowed to buy Bumi stakes in companies, the Kuala Lumpur Stock Exchange reacted positively as did the money market.

Daim was not demeaning the ability of Bumiputeras to manage their own businesses, though some may view his comments negatively.

But no matter how the statement is greeted, it cannot be denied that the former Finance Minister spoke in the best interests of Malaysia. As the man accredited with taking Malaysia out of its economic woes in the mid-80s, Daim certainly knows what is best and what is not - when it comes to assisting his countrymen in gaining more economic muscle.

At this juncture, it is pertinent to note the Government has always stressed the need for Bumiputeras to find the ways and means to improve their lot. Ever since the introduction of the New Economic Policy in 1970, Bumis have been given opportunities in almost every single government project.

And yet some Bumiputera companies, despite being given enough political support, subsidies and loans, still have failed. In many instances, these have been small- and medium-sized businesses. The end result has been that the revolving funds meant to nurture more entrepreneurs now have depleted coffers. The reason being that the firms which have folded up, failed to pay the loans back.

In the last 20 years, the Government has disbursed about RM15 billion in loans to Bumiputera entrepreneurs. But this has not been all.

The Government has always come up with measures to bail out such companies: it has proposed privatization, mergers, joint ventures, capital ventures and equity takeovers all with the aim of helping Bumi ventures.

Last year, Prime Minister Datuk Seri Dr Mahathir Mohamad proposed more business partnerships between Bumiputeras and non-Bumis in order to bolster the position of weak Bumiputera enterprises. Only a few heeded his call. Some could not tolerate a change in equity ownership.

Yesterday, Dr Mahathir said the Government's proposal to allow non-Bumiputeras to acquire Bumi companies is for a temporary period and in certain cases only. He stressed that such a measure had to be taken to assist companies facing problems.

As such, Daim's words should not be taken as an affront. They come at a time when all Malaysian firms irrespective of being Bumi or non-Bumi need to take stock. In the current economic scenario, no Malaysian firm can afford to be complacent. This is the time to face reality. Bumi firms need to evaluate their achievements and failures. Those that are failing should realise it is far better to suffer losses in some areas than to lose whole businesses completely.

Selling off portions of their stakes to non-Bumis is no cause for despair. This is after all Malaysia and we are a multi-racial and multi-religious society. It is a test of Malaysia's maturity. This is not the time to react hastily and be sectarian. What the Government is doing now is to salvage that which can be salvaged.

As Dr Mahathir said, "It is better to save something than to let things be destroyed completely." After all, the decision also will not have much impact on the share of Bumiputera equity in the nation's economy.

The Prime Minister had added yesterday, "We always concentrated on quantity. But as I said, many non-Bumiputera companies are now owned by

Bumiputeras although the names of the companies continue to be non-Bumiputera like several banks previously owned by non-Bumiputeras..."

The measure is also in line with the National Development Policy which emphasises the quality of Bumiputera participation in the economic sector rather than quantity. The country may have many Bumiputera entrepreneurs but this will be of no significance if their participation in big projects, domestically and internationally, is still miniscule.

Business cooperation, joint ventures and mergers thus need not be regarded with trepidation. Rather, they should be seen as avenues for fostering better relations among Malaysians and the means to acquiring business acumen.

More importantly, if Malaysia is to take its rightful place in the world it must be able to deal with problems frankly. It also must be a truly Malaysian Malaysia. There is no place for bigots here.

What the country really needs now is a society that is unselfish and caring and capable of dealing with reality.

The time is ripe for Bumiputera businessmen not to just accept tie-ups with other Malaysians as a good thing but rather welcome them.

After all, the Government's intention of ensuring they are on par economically with other entrepreneurs is as strong as ever.

Dr Mahathir had said yesterday that not all the shares in Bumiputera companies facing problems will be allowed to be sold to non-Bumis and stressed that in most cases the Bumiputera majority will be maintained.

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