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Daim (News Analysis)

AWSJ'S ATTACK ON POLICY BEWILDERING

By: Azman Ujang

KUALA LUMPUR, Oct 13 (Bernama) -- The extent some foreign-owned publications go to in attacking policies of the Malaysian government can sometimes be described as bewildering.

The latest example is The Asian Wall Street Journal (AWSJ), an influential regional business newspaper, which reported Wednesday that an order by the Finance Ministry to revamp the management structure of state-owned corporations is facing resentment among Malaysia's top bureaucrats.

It refers to the Finance Ministry's order to ban senior managers of government enterprises and agencies from serving as directors of subsidiaries and associated companies of their parent bodies.

When the order was issued in May, the newspaper suggested that a rift had occurred between Finance Minister Tun Daim Zainuddin and Prime Minister Datuk Seri Dr Mahathir Mohamad.

" A potentially far-reaching policy change in Malaysia could exacerbate a growing rift between Prime Minister Mahathir Mohamad and his-long time confidant, Finance Minister Daim Zainuddin," AWSJ declared at that time.

Now, five months later when the Mahathir-Daim rift it speculated still failed to surface or did not happen -- thus proving ASWJ wrong -- the newspaper rehashed the same story, saying the Daim's initiative was " derailed after senior civil servants complained to Dr Mahathir."

AWSJ's editorial policy espouses Western-style democracy and freedom of speech, and by the same token, it is hard-hitting against countries and governments which it regards as corrupt and inefficient.

It also glorifies transparency and good corporate governance especially in dealings with foreign investors.

The newspaper makes known its stance in editorials as well as other articles published prominently as side-bars on the editorial page, and sometimes it even "prescribes" which corrupt and efficient Asian governments should go.

Given the high standards it sets on how Asian governments should be run, senior Malaysian officials contacted by Bernama are bewildered at AWSJ for its concerted effort to run down what could very well be the Malaysian government's move to ensure transparency and good corporate governance.

" While we did not expect The Asian Wall Street Journal to praise Malaysia, we are baffled at why it continues to be very critical with the country for trying to improve transparency, accountability and corporate governance," said a senior official.

The officials said the rationale for the revamp of the management structure of state-owned corporations is so unambiguous -- to avoid senior managers from holding too many directorships, thus having so much powers that they could not stay focused.

According to the officials, the Finance Ministry, in coming out with the directive, was only responding to the demands of the modern economy which calls for accountability, transparency and good corporate governance.

" The market demands this. And even ASWJ regularly writes about this. But why is it critical of Malaysia for doing this. It smacks of double-standards," the senior official added.

Officials said since the directive was issued in May, the government had agreed to exercise some flexibility by allowing senior managers of only

the key corporations to sit on the boards of not more than five subsidiaries of their parent companies.

These corporations are Petroliam Nasional Bhd (Petronas), Telekom Malaysia Bhd and Tenaga Nasional Bhd.

The ASWJ report on Thursday quoted several senior government officials as saying that the directive would create a "management vacuum" in key state-owned enterprises and agencies.

" This is an absurd and ridiculous assessment of the situation in Malaysia. We have many capable managers. It is just that the others have not been given a chance before because too many directorships were in the hands of a single person," argued the senior official.

He cited the case of one senior executive who acted as chairman of 13 subsidiaries of one holding company as an example of too much powers being vested on one man.

Officials also took umbrage at another suggestion in the ASWJ report on Thursday -- that the new policy could become a tool for Daim to dispense patronage and that it could shore Daim's support within UMNO.

" This is an outrageous conclusion by a newspaper which claims to know the region it is operating in. Any UMNO member who wants to go up the leadership ladder has to contest for posts in the party.

" It is public knowledge that Tun Daim has never even contested for the post of a division head in UMNO. Even the UMNO Treasurer's post that he is holding now is an appointed one," said an aide of Daim.

He said: "Everyone knows that Tun Daim is a reluctant politician who does not aspire for high office. He quit his Finance Minister's post once before but rejoined the Cabinet only because the prime minister still needs his service."

The aide said Daim is one minister who does not socialise with the country's top bureaucrats and he is therefore not in a position to fill the newly-vacated positions in these agencies and companies with his own appointees as the AWSJ suggested.

" This is a most unkind cut by the newspaper," he said.

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