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ECONOMY-BUMIPUTERA

SABAH CHAMBER ELABORATES ON PROBLEMS BY BUMIPUTERA ENTREPRENEURS

By: Newmond Tibin

KOTA KINABALU, Jan 9 (Bernama) -- While their counterparts in Peninsular Malaysia have done exceedingly well by rising to become corporate leaders and having achieved international success, Bumiputera entrepreneurs in Sabah are still struggling to become enviable corporate leaders.

Against a backdrop of small businesses that is only self-sustainable and coupled with the belief that one is fated to get only so much, Sabah seems to be searching for Bumiputera corporate leaders able to stand at par with their counterparts from other communities.

Although there are Bumiputera entrepreneurs who have achieved success in the business world, the size and scope of their businesses are rather small and limited to certain sectors.

What hope is there then for Bumiputeras in this state to excel like their counterparts across the South China Sea?

In conjunction with the Sabah Bumiputera Economic Congress here this month, Bernama journalist Newmond Tibin interviewed the Head of the Sabah branch of the Malay Chambers of Commerce, Malaysia Malay Chamber of Commerce and Industry, Mohamad Lan Allani for his views on various issues relating to the future of Bumiputeras in the state.

Question: After some 40 years of independence, the rakyat places high hopes on Bumiputeras to succeed in business ventures. What are the differences between the current Bumiputeras and the previous ones in terms of the types of businesses ventured into?

Answer: There are a lot of differences. Previously, the businesses are only traditional in nature, more on self-sustaining businesses like foodstalls and retail shops. In general, businesses are conducted around the residence of the Bumiputera community. Other businesses are seasonal ones carried out at tamus (weekly markets) and markets and this would depend, for example on the products of their agricultural and fishing activities.

In terms of capital and revolving capital, previously they were small, operating from their houses. As such their income was small. Compared with those days, although there are still those who carried out the traditional types of businesses, yet there are improvements in the types of businesses. This was facilitated by the facilities provided by the government or government agencies which were willing to assist traders through loans. Bank Negara itself has encouraged entrepreneurs to take advantage of the fund set up by the central bank to develop businesses.

Now the environment has changed, Bumiputeras have ventured into commercial businesses like restaurants. If previously the business was to sustain oneself, now we are proud to say that there are Bumiputeras in Sabah who have the spirit to succeed in terms of property and fund accumulation so as to expand their businesses.

Q: Do you agree with the perception that Bumiputera entrepreneurs are only involved specific sectors.

A: I don't really agree. While it is true that in the past, the scope of Bumiputera entrepreneurs' businesses were limited to the retail business such as stalls, Now, our scope of business is very wide. The Bumiputera

community's involvement in the property industry in Sabah is something to be proud of. There are also Bumiputera entrepreneurs in the manufacturing sector, producing furniture and clothes. They have also ventured into the services industry, transportation and catering as well as in the provision of professional services such as legal, engineering, consultancy, architecture and medical services as well as international business.

Q: How successful have the entrepreneurs been in Sabah up till now?

A: Although there has been an increase in the level of Bumiputera participation (in industries), it is still been a bit of a disappointment. After more than 40 years of independence, and with the government having had formulated various ways for them to succeed in business, I am not able to point out one single Bumiputera in Sabah who has been truly successful. What is clear is that there has not been a Bumiputera who has really been successful although the New Economic Policy's target was to ensure that 30 percent of the economic pie of the country is controlled by Bumiputeras. By way of comparison, the Bumiputera equity in the Peninsular's business sector was 20.9 percent in 1995 and when hit by the downturn in 1997, the equity went down to 19.4 percent but in Sabah, I feel that although the equity is there, it is still very low compared with what has been achieved in the Peninsular.

In terms of success, not much can be said except that I hope that all the parties including the government and the business councils work hard to help make the government's vision a reality.

Q: Why is Bumiputera participation in business still very low?

A: There are several reasons. Firstly, Bumiputeras are not naturally skillful in business. If there is any at all, it is an acquired skill as they are not instinctively industrious like the Chinese community. If we are equally skillful, it is either by coincidence or through training provided by the government or through tertiary education. Apart from that, exposure and training in business and entrepreneurship among Bumiputeras are low. I must acknowledge the government's contribution through ministries related to entrepreneurship and MARA, but these are short-term courses.

In addition, Bumiputeras do not have adequate capital. The government provides capital through loans but very often, they are not aware about the funds available to them -- either among those who are not yet involved in business or those who are already in business. Besides this, the success of Bumiputera entrepreneurs generally depend on assistance from the government. Unfortunately, we find that there are government enterprises competing against Bumiputera businessmen in certain sectors. This is very disheartening and I will raise this matter with the higher authorities to resolve the problem. The other factor is that Bumiputeras have a negative attitude towards business. As an example, if they start their businesses this year, they want to become rich next year. This is the problem. We have this syndrome among Bumiputera entrepreneurs who want to get rich fast without wanting to wait and working hard to achieve that. We find that some Bumiputera businessmen "sub-contract" contracts awarded to them to non-Bumiputera businessmen with the hope that by doing so, they will get other contracts. This shows that Bumiputeras do not have the drive to succeed.

Q: What is the future for Bumiputera entrepreneurs in Sabah and what are the opportunities available now?

A: Actually, the opportunities are vast. Prior to the launch of NEP, they were limited. The Bumiputeras are late entrants into commerce. Among the sectors they can venture into are K-economy, e-commerce and the

information technology business (IT) and so forth. In this regard, I feel whether Bumiputera or not, we have equal chances. Success depends on ourselves. If we remain complacent, with no competition and wanting easy money, we may not be able to succeed. But in term of chances, we have them. Other sectors that could be exploited are the hospitality industry like tourism and hotel. Bumiputera participation is little in these sectors. Prime Minister Datuk Seri Dr Mahathir Mohamad has also encouraged Bumiputera involvement in the retail sector like selling electronic products. Bumiputera entrepreneurs should also strive to form strategic alliances not only with non-Bumiputeras but also among themselves. I'm saddened by the fact that the concept of smart partnership remains a rethoric but lacking in implementation. We need smart partnerships that bear fruit.

Q: What's your hope for Sabahan Bumiputera enterpreneurs?

A: I hope that our people will change and become more proactive in commerce and entrepreneurship and discard the getting quick rich mentality. We must also improve ourselves, instill greater discipline and realise that success can only be achieved through efforts and hardwork, there is no short cut for success and wealth. I also hope that government agencies can perform their duties in a dedicated manner implement development policies laid down by our leaders who want to see Bumiputera enjoying 30 percent the country's economic cake possibly by 2020. -- BERNAMA

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