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Ensuring certainty for the business community

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THE markets, investors and fund managers are assured of consistency and continuity of policies in Malaysia after Prime Minister Datuk Seri Dr Mahathir Mohamad hands over the reins to his deputy, Datuk Seri Abdullah Ahmad Badawi.

The policies have worked well and there is no reason to make changes or alter the course of economic development. Abdullah said the policies have served the country and people well. "There is no reason to change them when there is a change in leadership."

Fund managers, both local and foreign, and investment bankers were given this assurance by Abdullah who stressed that "a change of policies for the sake of change just to reflect a new man is not something that I believe in".

The clarification from the "sincere and genuine" Deputy Prime Minister to fund managers and investment bankers put to rest the confusion and uncertainty that had arisen due to media reports which said Abdullah would change policies when he takes over.

This may happen in other countries, when there is a change in leadership, but not so in Malaysia. "We are blessed with the situation in this country, because changes in leadership normally result in chaos and power struggles in other countries." Malaysians from all walks of life and party leaders want their leader to stay.

Dr Mahathir gave his assurance that during the 16-month transition period, he would ensure that all government policies remained in place and that there would be no power struggle within the party.

He has served the country for 21 years as Prime Minister and almost three quarters of his life as an active party member. He has worked non-stop and wants time for himself. But as a nationalist, it can be expected that he will continue to support the Government and work for the betterment of his people and country.

"I will continue to do my best for party and nation," he said on his return from Italy, adding "there will no difference in policies and I will give my full support to Abdullah and my colleagues. I am confident we can work well in the interest of the party and nation."

The smooth transition period has been agreed to and it will also help ensure that the plans and policies that are already in place can continue to be executed as scheduled. Unlike some suggestions that with Dr Mahathir as Prime Minister there has been "a one-man rule", the policies are formulated after consultations with all sectors - public and private, interest groups and non-governmental organisations - it is thus a collective decision.

Each Prime Minister undoubtedly has developed and built upon the policies of his predecessor. This is as it should be. Yes, there were new policies implemented under Dr Mahathir but these were necessary to keep in step with international developments and changing circumstances. The world does not stop, it continues to move on and change, and so too must Malaysia.

As a trading nation, Malaysia had to adapt to the rapid global changes. It could not afford to stand still. Many countries that had gained independence at the same time as Malaysia have not progressed, while the situation in others has actually deteriorated due to various factors, and leadership is one of them.

Some countries that were way ahead and more progressive than Malaysia when the country gained independence in 1957 now lag behind. Malaysia's average per capita income has increased from US\$300 (RM1,140) in 1957 to US\$4,000 last year. This figure would have been higher if not for the financial crisis in 1997.

In a number of sectors, Malaysia is a First World country. This is due to the fact that the policies have worked. In addition, Malaysia has had an enlightened leadership under Dr Mahathir who was prepared to break tradition and try new approaches even though the ideas and policies were unconventional.

An Australian official in Sydney said he wished development plans, such as Malaysia's, could be implemented in Australia. Malaysia knows where it wants to go and how to get there. Undoubtedly, the road map is often redrawn as the situation changes, thus the mid-term reviews are important. This cannot be said for many countries including developing and even some developed ones.

Development plans have become second nature to Malaysian planners. Each has strengthened the economy. Obviously, with changes in the world economic environment and, domestically, there will have to be changes and new approaches. These are necessary as Malaysia and Malaysians do not want to be left standing in one place as the world passes them by. This, however, does not mean that the leadership is changing the policies for the sake of change. Under Dr Mahathir, Malaysia moved on to industrialisation and now on to IT, K-economy and biotechnology.

Even as Minister of International Trade, Dr Mahathir had started promoting the country as a destination for foreign investments. The country needed to create employment for the growing working population and labourintensive industries were thus encouraged.

The policy was so successful that Malaysia attained full employment - something that is not associated with developing countries. Policies were then amended to encourage the country and people to move up the ladder to newer and more sophisticated sectors. Today, Malaysia's progress and development is the envy of many countries, developed and developing alike.

Why would any leader want to change a winning formula? Thus, fund managers welcomed the assurance given by Abdullah that the successful formula and policies implemented by Dr Mahathir will continue. The market does not like uncertainty; the smooth transition and continuation of policies will ensure certainty and no surprises - a welcome sign for the market, investors and the business community.