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Mahathir-Jolt

MAHATHIR SENDS WAKE-UP CALL TO MALAYSIANS

By: Yong Soo Heong

KUALA LUMPUR, June 22 (Bernama) -- News of Datuk Seri Dr Mahathir Mohamad's intended retirement initially sent shock waves reeling through the local business community this evening but his subsequent retraction brought a welcome relief.

"What's going to happen to the stock market (on Monday)?" one businessman asked in disbelief when he first heard news of Dr Mahathir's resignation from his positions in Umno and the Barisan Nasional. Dr Mahathir's pro-business stance under the Malaysia Incorporated concept has been a boon to entrepreneurs in this country in view of the conducive business climate.

But calm subsequently prevailed an hour later when Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi announced that Dr Mahathir had retracted his earlier decision.

International Trade and Industry Minister Datuk Seri Rafidah Aziz, when met after the Umno General Assembly and Umno Supreme Council meeting tonight, said that there was nothing to worry about because "everything has returned to normal."

An analyst, when asked to assess the impact on the business community if Dr Mahathir had not retracted his decision, said that the Kuala Lumpur Stock Exchange (KLSE) might be affected.

"Luckily he has chosen to stay on. The private sector in Malaysia has much to thank him for, especially in attracting foreign investors to invest in the country.

"He has led countless number of trade and investment missions abroad to invite foreign investors to come to Malaysia and to pave the way for local entrepreneurs to do business abroad."

Another commentator said that Dr Mahathir has changed the profile of Malaysia's export mix from one that was primarily agricultural at one time to manufacturing. For instance, of the RM334.4 billion worth of exports last year, 85 per cent came from manufactured products.

Dr Mahathir's good grasp of business and economic issues has always been a source of encouragement for businessmen. Since he became prime minister in 1981, Dr Mahathir has initiated various reforms in terms of investment incentives and the tax structure, says one tax consultant.

For instance, Dr Mahathir gradually brought down the corporate and income tax which stood at 35 per cent at one time to 28 per cent at present.

Another example of Dr Mahathir's sure-footedness in economic matters was his bold advocacy of selective capital controls in the aftermath of the 1997-1998 regional currency crisis.

Pegging the ringgit at 3.80 to the US dollar over the last four years has helped businesses operating in Malaysia to be cushioned from the vagaries of foreign currency fluctuations as a result of machinations by currency manipulators.

One technopreneur running a multinational e-business company in the Multimedia Super Corridor (MSC) said that Dr Mahathir's guidance was still needed in the information and communications technology (ICT) sector.

"There is still plenty to be done in the MSC and we need him to be around to move the project forward."

A brainchild of Dr Mahathir in the creation of leading edge information technology products and services, the MSC has 684 companies which have been

accorded MSC-status companies and almost 600 of them are already operating.

But another analyst said that Dr Mahathir had emerged stronger "in the aftermath of the events between 6pm and 7pm today."

He said that the prime minister, who said he had failed to spur the Malays on to greater heights, had amassed greater clout now that the Umno members have persuaded him to stay on.

With the "fresh mandate", Dr Mahathir would be able to implement various affirmative policy initiatives like emphasis on meritocracy, English language and stronger work ethics.

The analyst said that the prime minister had sent a timely jolt to Malaysians in that they cannot remain complacent in the face of greater competition.

"This shock wave is certainly a timely wake-up call for the whole country," he said.

-- BERNAMA

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