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Abdullah will not scale back on anti-corruption campaign

KUALA LUMPUR, Fri. - Datuk Seri Abdullah Ahmad Badawi, will not scale back his anti-corruption campaign "in any way".

In an interview with the London-based Financial Times, the Prime Minister said he was determined to make his country more competitive by cutting the cost of doing business, fighting corruption, trimming bureaucracy and boosting efficiency at state-controlled companies. "By reducing corruption, you reduce the cost of doing business," he said.

Abdullah, who succeeded Tun Dr Mahathir Mohamad last year, said he wanted to focus on developing skills rather than big infrastructure projects.

Abdullah, who begins a trip to the United States and Europe this weekend, said his Government would focus on agriculture and biotechnology without abandoning the manufacturing industry, and gradually reduce the budget deficit without choking the economy through drastic spending cuts.

The most radical changes outlined by the Prime Minister involve state-controlled companies recently regrouped under the umbrella of Khazanah Nasional, which controls a third of the capitalisation of the Malaysian stock exchange.

He has already approved the appointment of three young chief executives for Khazanah, Telekom Malaysia and Tenaga Nasional Berhad, the power company, and raised the possibility of easing controversial racial preference policies by appointing non-Malay heads for such corporations in the future.

In the interview, he said he envisaged Khazanah companies expanding overseas and investing in Singapore, just as Singapore's public investment group, Temasek, has been allowed to take a five per cent stake in Telekom Malaysia as part of Abdullah's liberalisation programme.

"These are huge companies," he said. "There must be good governance, transparency.

"They must be able to be more efficient." He said better state companies would mean less of a "headache".

He tacitly acknowledged the dilemma of how to deal with Proton. Proton had to be kept afloat, but could not be subsidised indefinitely and was seeking a partner to help its performance.

Abdullah, however, said he would present the views of Islamic and developing countries to (President George W.) Bush.

He did not disguise his objections to US policy on Iraq and the Palestinians and to Washington's treatment of the UN, and rejected the idea of acting as a "bridge" between the US and the Muslim world.

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