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Going for the perfect 10 mindset

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Private Sector Must Grow Up

MALAYSIA Inc is a super concept, but the private sector must not use it to be dependent on the Government.

The private sector must grow up and cease to always come up with complaints and proposals of some more that the Government must do.

Where the Government is slow or corrupt, there is obviously cause to complain, but to always expect government policy to extract some advantage is not going to prepare the Malaysian private sector for the rig-ours of global competition.

The Malaysian private sector is so quick to lose heart; Malaysian banks are so slow to give out loans; the capital markets are lethargic.

Yet everyone says our fundamentals are good: political, economic, monetary stability. Why is the private sector not putting its money where its mouth is? So where's the confidence?

Weighed down, no doubt, by all the negatives all around us. The coming attack against Iraq. Terrorism. Oil prices. Currency risks. Slow world growth. And so it goes on.

Are we then going to curl up and die? No. Life goes on however difficult the environment. Ours is one of the best of a bad lot. Yet the private sector does not reflect it.

International terrorism is going to be with us for a while. We have to factor it in. Inventory management, for instance, may have to migrate from just-in-time to just-in-case.

I believe there should be a massive drive of activity in the corporate and capital market sectors to unbundle assets, realise latent values and offer different types of investments to investors with a variety of risk-reward profiles.

We have to shake the capital market out of its torpor, not just to generate economic activity through accelerated capital-formation, but also to pass through that confidence from which investment and consumption decisions are made.

The private sector should also come up with ideas on how internally-generated growth can take up the slack from flat exports to keep the economy going at a respectable rate.

Consumption, for example, should be encouraged, but how, when credit is so limited? Loans are not extended to small and medium industries because they have no collateral. Are we going to be trapped in this vicious circle?

There must be ways to get out of it to unlock latent values. There must be ways to increase credit extension, to improve risk management beyond chettiar-type security lending.

These are the more immediate steps that we take to change market mindset, even as the acting prime minister has formulated for us the need to come up to speed get if we want to fulfil the objectives of Vision 2020, which Datuk Seri Dr Mahathir will be leaving behind when he retires in October.