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Importance of private sector to country's growth

PRIME Minister Datuk Seri Dr Mahathir Mohamad reiterated the importance of governments and the private sector maintaining a good relationship.

He said if the private sector performed well, the country would develop much faster.

At the Asean Business and Investment Summit, he said governments should help create a business-friendly environment.

Citing the Malaysian experience, Dr Mahathir said for every RM1 earned by the private sector, 28 sen would go to the Government in the form of corporate taxes.

"When the private sector makes profit, the country also benefits. I keep telling the civil servants that their salary comes from the private sector in the form of taxes."

He said the Malaysian Government had collected a substantial amount of taxes from the private sector but it was not enough to finance the country's development projects.

The Government would need to stimulate the private sector to make more money so that more tax revenue could be collected.

Dr Mahathir also expressed regret that there were still some who harboured the thought that Malaysian businessmen who made huge profits were cronies.

"Anybody who succeeds in the corporate sector is labelled a crony but those who failed were never mentioned. They don't understand that the Government helps businesses so that more tax revenue can be collected."

After the address, Asean Business and Investment Summit chairman Tanri Abeng presented Dr Mahathir with a memento as a farewell gift.

The business summit was held for the first time in conjunction with the Asean Summit.