

Najib: Not true NEM isn't actively implemented

Malaysiakini.com

June 16, 2011

Prime Minister Najib Abdul Razak has rejected the claim in a recent World Bank report that the government "is not actively implementing" the New Economic Model (NEM).

In a written reply to Nurul Izzah Anwar (PKR-Lembah Pantai), Najib said the final part of the NEM report prepared by Strategic Reform Initiatives (SRI) provided "wider and more detailed information on the policies".

Nurul Izzah asked about the claim in the World Bank's Malaysia Economic Monitor: Brain Drain report that said the government was actively promoting its Economic Transformation Plan (ETP) instead of enforcing the NEM, which would solve the economic structure impasse.

Najib said the National Economic Advisory Council (NEAC) and Performance Management and Delivery Unit (Pemandu) had worked together and conducted six SRI labs over six weeks from Feb 21 to April 1.

Of the 51 policies under the NEM, 37 were discussed during the labs, among them:

- * Competitiveness, standards and legislation;
- * Government's role in business;
- * Human capital development;
- * Public finance sector;
- * Public sector delivery; and
- * Affirmative steps to reduce inequality gap.

"These labs were then divided into smaller labs which translated the policies as well as the initiatives planned under NEM for better detailed and realistic implementation.

"The objective was to improve fiscal control on public sector expenditure so that it is beneficial to the people, value for money and reduce leakages as to produce maximum impact on the country's economy," he said.

The World Bank report advised the government to capitalise on its "vast unrealised growth potential".

The report identified governance issues and lack of meritocracy as "fundamental constraints" that hampered Malaysia's expansion by fettering competition and innovation.

The country's growth fell to an average 4.6 per cent a year in the past decade, from an average of 7.2 per cent a year in the previous decade.