

GLCs still bound to bumi agenda, but based on merit
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Government-linked companies (GLCs) which are currently undergoing a 10-year transformation programme will continue to uphold the bumiputra agenda but through a proper and merit-based process.

“Part of our commitment is to do a proper bumiputra policy within that developmental approach which is merit-based,” said the chief of the secretariat of the Putrajaya Committee on GLC High Performance (PCG), Azman Mokhtar (left), when asked whether the cost of the bumiputra agenda is not sustainable.

PCG is the body that supervises the 10-year GLC Transformation Programme initiated in 2004.

In an interview with The Edge Financial Daily, UDA Holdings Bhd chairman Nur Jazlan Mohamed said the cost of the bumiputra agenda is not sustainable in the long run and the government must find a new formula to define the agenda.

He came under fire from the Malay rights group Perkasa and his own Umno party members over the sale of a piece of prime land along Kuala Lumpur's Jalan Sultan Ismail and for not appointing a bumiputra developer for the Pudu Jail redevelopment project called Bukit Bintang City Centre.

During the press conference called after the opening of GLC Open Day at Kuala Lumpur, Azman reiterated that the bumiputra agenda is part of the national agenda which requires growth with inclusiveness.

He described the current bumiputra agenda pursued by GLCs as “active and proper”.

“The shareholders of GLCs are trust agencies such as the Employees Provident Fund, Permodalan Nasional Berhad, Pilgrims Fund Board, Armed Forces Fund Board and Khazanah Nasional Berhad.

“It is important that these companies (GLCs) are not a burden to them. They (GLCs) must be part of the solution, not part of the problem,” he said.

The three-day GLC Open Day was opened by Prime Minister Najib Abdul Razak today at the Kuala Lumpur Convention Centre.

The ceremony showcased report card of the GLC Transformation Programme which had finished two-third of its journey.

According to Azman, within May 2004 to Jun 2011, the largest 20 GLCs (G20) had outperformed the rest of KLCI by 1.9 percent with a total shareholder return of 16.1 percent per annum.

Their market capitalisation grew by 123 percent to RM354 billion from RM159 billion in 2004 while earnings grew by the equivalent 17.8 percent per annum over the period.

The G20 achieved 74 percent of their headline KPIs set for 2010, up 64 percent from 2009. A total of RM47 billion of dividends and RM32 billion of taxes have been paid by them.

At the same time, Najib repeated that GLCs will continue divesting their non-core and non-competitive assets.

On the issue of GLCs crowding-out private sector companies, Najib proposed that GLCs and private sector should engage better collaboration, especially in expanding their joint footprint overseas.

All five government-linked investment companies and 18 GLCs have set up their booths during the GLC Open Day.

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