

Bumiputera quotas set to go, says Najib
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Prime Minister Najib Abdul Razak said today the government is seeking to do away with the quota approach in building the capacities of the bumiputera as it does not serve the purpose.

Instead, Najib said, the 30 percent bumiputera equity quota only hampered capable bumiputera entrepreneurs from developing their abilities.

“We want to do away with quotas, but we will support (bumiputera entrepreneurs) to grow.

“If we give quotas, they will rest on their laurels and not gain expertise to manage their businesses,” he said.

Answering a question from the floor at a question-and-answer session at the Khazanah Megatrends Forum 2011 in Kuala Lumpur, Najib (left) said setting a quota “does not mean anything”.

“(The bumiputera entrepreneurs) will sell off their shares when the prices are high and only a small percentage of the amount allocated for bumiputeras will be left (in bumiputera hands),” he said.

As such, the PM said, the government will “go on a different footing” in affirmative action by finding “good, tested bumiputera who can succeed and to support them in ways so they will be more competitive”.

“We have identified more than 1,000 companies through Teraju, and we will see how to help these companies become bigger and better,” he said, referring to the government agency set up to oversee bumiputera economic affairs.

He said that by supporting the “bright bumiputera”, not only will it develop the talent pool in the community but also avoid resentment from their non-bumiputera counterparts.

Najib, who is also Umno president, added that the government also sought to move away from the culture of “know who” to “know how” within the community.

“Affirmative action will be based more and more on meritocracy.

“The new approach can hopefully build a new class of bumiputera entrepreneurs who are more resilient and can succeed in the long run,” he said.

Najib had previously announced the government's intention to liberalise the economy from race-based quotas via the New Economic Model (NEM), but received a severe backlash from bumiputera interest groups.

The equity target was reinstated in the final version of the NEM.