

ETP prolongs know-who cancer, says think-tank
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The Malaysian Economic Transformation Programme (ETP) perpetuates an economy where players depend on connections rather than capabilities to get ahead, think-tank Research for Social Advancement (Refsa) has declared.

At a forum jointly organised by Refsa and DAP last night, the think-tank's executive chairperson Teh Chi-Chang said this was evident in the selection of existing projects into the list of entry point projects.

Addressing a full house at the Kuala Lumpur Selangor Chinese Assembly Hall, Teh said this included projects by government-linked companies (GLCs) or industry giants like the St Regis Hotel and Johor Premium Outlet.

Teh said that according to the Performance and Management Delivery Unit (Pemandu), these projects benefit from the ETP as red tape is cut specially for them.

"Is our red tape so bad that even GLCs need Pemandu to cut red tape for them? Pemandu is only cutting red tape for some people, which is strengthening the know-who cancer in Malaysia.

"If red tape is cut for everyone it's good, but now it's on a case by case basis.

"Ultimately you need to know who to get (to cut red tape). You have to know Pemandu," said the Pakatan Rakyat-friendly think-tank chief.

He added that the ETP was also off its target of growing private investments, with 65 percent of its projects funded by GLCs or the government.

"Its target was actually 60 percent private, 32 percent GLCs and eight percent government," he said.

Reincarnation of Mahathir era

The government's commitments include some possible "dud" investments like the Karambunai Integrated Resort to which the government is committing RM600 million, up RM500 million than when it was first announced, added Teh.

"Basic calculations tell us that it needs 2.8 million visitors a year to break even but arrivals at the Kota Kinabalu airport is only 2.5 million people a year."

The focus on projects, said fellow panelist and Bukit Bendera DAP MP Liew Chin Tong (right), harks back to the Mahathir era of mega structures and massive infrastructure spending.

He said that instead of following the holistic recommendations of the New Economic Model, the ETP under Pemandu is a "reincarnation of Mahathirist" policies.

"Projects are not transformational. It is about picking winners," said the DAP parliamentarian.

Echoing his colleague, PKR chief of strategy Rafizi Ramli said Pemandu takes a management turnaround approach which is unsuitable for the economy.

"The turnaround approach may work in an organisation, it's easier to force values and make drastic structural decisions in a corporation but it's very difficult in an economy.

"In a management turnaround you go for quick gains and you give the impression that everything is fine, and at times fudge the numbers," he said.

Kuala Selangor PAS parliamentarian Dzulkefly Ahmad said the projects do not help boost domestic demand, which Malaysia will increasingly have to rely on in global uncertainties.

"Scandinavian countries drive their economy on domestic demand, even though they're small countries. They can do this because they have higher disposable income and smaller income disparity," he added.

Last year's figures a disaster

The panelist disagreed with a suggestion by moderator Ong Kian Ming that the 5.1 percent GDP growth and RM32.9 billion in foreign direct investments last year is testament of ETP's success.

rafizi speech 181011Rafizi (left) added that the figure while seemingly high was a "disaster" as the country's target is six percent average annual growth.

"If it fails on the first year, what next? We cannot just settle for 5.1 percent and justify it to ourselves by saying at least we are better than Myanmar (sic).

"It's a disaster for a country as rich as Malaysia. FDIs should be measured against the region. In the 1990s, our share of FDIs in Southeast Asia was 17 percent. In 2010 it's down to eight percent," said Rafizi.

Teh added that Indonesia received about double the FDIs compared to Malaysia while Singapore received about four times more.

Refsa had previously released a six-part critique of the ETP, which Pemandu has responded to on its blog.

Among others, Pemandu defended the inclusion of existing projects into the programme saying the projects had significant impact on GNI, and required assistance with "bureaucratic bottlenecks".

Pemandu also said that the Karambunai Integrated Resort project is constantly monitored by state and federal agencies but Pemandu cannot guarantee the success of the project as it is only a facilitator.

Pemandu added: "Some projects seem to be closely linked to specific parties, but these are exceptional cases which happen because the industry is not open."

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