

## **Manufacturers want PM to get on with GE**

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**By Aidila Razak**

The manufacturing community would prefer that the general elections be called as soon as possible.

According to Federation of Malaysian Manufacturers president Yong Poh Kon, this is because the industry is currently dealing with much prolonged uncertainty.

"Certainly in this community, we want the elections to be finished and done with as there is certain amount of uncertainty...decisions would be much easier (after the polls)," he said.

Speculation over the date of the next general election has been rife for months, with the prime minister keeping his cards close to his chest.

Pundits, who previously pinned the date for this month, have delayed the expected poll date to as late as September, especially following word that the government may be considering a second round of Bantuan Rakyat 1Malaysia (BR1M) handouts.

PM Najib Abdul Razak is also due to table the 2013 federal budget in September, where he is anticipated to announce populist measures to win over the electorate in time for polls.

Yong had commented on the matter after presenting the results of FMM's inaugural semi-annual survey of business conditions, which took place in May 2012.

### **Optimistic business outlook**

According to the survey, conducted on 368 respondents nationwide, businesses are expecting better business conditions in the next six months, despite election uncertainty and looming dark clouds in the Europe market.

Forty percent of respondents expect their business activity level to grow in the next six months, likely due to personal experience of increased activity levels today.

About a third anticipate higher local sales, while two in five expect higher export sales.

Comparing with six months ago, 28 percent said their business activity has grown while about the same number indicate otherwise. The remainder feel their business activity is stable.

Yong said that the rolling out of the Economic Transformation Programme may have an impact on the optimism, although he said that it is innate for business people to be "eternally optimistic".

He added that much of the uncertainty in financial markets lie in Europe, while many Malaysian businesses engage with trade in the Asia Pacific which is still a growing region.

However, he noted that the next six months may find manufacturers facing the triple challenge of increasing cost of production in terms of labour, shipping and energy.

“Costs of commodities have been low so that is not a factor but essentially labour, the price of gas and shipping are.

“If gas prices are brought to market prices, the cost to independent power producers will be passed on to Tenaga Nasional and passed on to manufacturing. Manufacturing takes more than 50 percent of electricity generated by Tenaga Nasional,” he said.

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