

## **YOURSAY | Retirement funds should be invested wisely**

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**Yoursay**

YOURSAY | 'GLICs as the vehicle for driving investment is a failed model.'

Milshah: The government has access to numerous funds, each designated for specific purposes.

For instance, funds such as the Employees Provident Fund (EPF) and Retirement Fund Incorporated (Kwap) are specifically allocated for retirement management.

These retirement funds should avoid risky investments. The principle that higher potential returns come with higher risks is relevant here.

If these high-risk investments succeed, they might yield significant returns, but if they fail, the losses could be substantial.

The question is, who will be accountable for such losses?

For retirement funds like EPF and Kwap, it is crucial to focus on low-risk

investments. The primary goal should be to preserve the capital rather than pursuing high-risk, high-reward opportunities.

The RM150 billion in question represents 6.67 percent of the total funds, which is a significant amount.

Perhaps the government is pursuing these risky investments for strategic reasons.

Based on what was stated in a Finance Ministry press release, this indicates that the investments are seen as vital for national interests.

However, using retirement funds for such risky ventures is inappropriate. The government should utilise separate funds for high-risk investments, reserving retirement funds for safer, more stable investments.

Just a Malaysian: The government's role is to provide a framework and conducive environment for private entrepreneurs to undertake risky but much-needed investments.

Then they open up these opportunities for all capable people or companies, irrespective of race.

An initial push by the government will help allow these start-ups to openly compete with one another and with foreign players.

This competitive push brings out the best to grow and succeed. China's start-ups in the 1990s are world-beaters today.

Nothing brings out the best in a company or people than the risk of failing. Malaysia's sheltered and pampered enterprise will go nowhere in building a global conglomerate unless the entitled and privileged mentality is discarded.

But who dares to bell the cat that brings them into power?

GrayParrot9290: Two sides of the coin, especially concerning return on investment.

You cannot expect, for example, EPF to pay out a good dividend if it only relies on risk-free investments like fixed deposits and government bonds.

If Malaysiakini columnist P Gunasegaram is criticising constructively, he should also propose what is the correct portfolio.

Bear in mind, Singapore's Temasek also lost billions in some high-risk growth investments.

At the end of the day, it's still business and somebody must be made accountable, such as the government of the day who is given a mandate by the people to manage their money. It is not the government of the day's money.

In this respect, Prime Minister Anwar Ibrahim has failed to carry out the necessary reforms he was touting and should be made accountable and kicked out in the 16th general election.

Apanama is back: The current prime minister was a protégé to his “A doctor in the house” mentor-turned-nemesis, former prime minister Dr Mahathir Mohamad.

Therefore, what you observe now resembles the playbook from the 1980s and 1990s.

Anwar does not know anything about investments. Zilch! He is simply continuing with the “government knows the best” mantra.

The lesson is not learnt. That means being bound to repeat the mistake and expecting different results. If they fail, they blame others, just as Malaysian netizens vented against a Japanese cyclist.

Whether a person is in government, government-linked companies (GLC), GLIC,

or even ordinary citizens, the mentality is almost the same.

The fundamental characteristics of merit and competence are absent in any administration, including this one. There is no diversity of people who can brainstorm and come up with ideas and best practices.

When talking about the best ideas and best practices, look at Temasek. Temasek's portfolio is valued at S\$389 billion (RM1.35 trillion), compared to Khazanah's RM126.2 billion.

From here, we should know how they have been managing investment over the decades.

Quigonbond: Let's consider other perspectives:

- 1) If a business does not grow, it will die.
- 2) When it comes to substantial investments, hardly any other company, public or private, has that kind of financial power compared to these GLICs.
- 3) Even Temasek took some risks, though they're not the best example given they are much larger, but just to show even among the best, they are not immune to failure once in a while.

4) The trick is not about avoiding investments, rather it is about picking them correctly and making the best preparations, getting the best advice, and undertaking the most rigorous research.

Ultimately, it is also about guts, vision, and a touch of luck.

5) Embracing new technology is a must if we want to remain competitive and relevant as a nation. Letting the money sit safely won't help it grow.

6) Finally, don't put all eggs in one basket. Diversify your investments.

ThinkFirst: Gunesegaram suggests that competent people should be hired first to investigate the ground and make a sound assessment of what is possible and a plan of action, budgets, and forecasts.

Evaluate them and then move if all checks out.

I seriously think this is very sound advice. It is a formula that never fails for whichever government is lucky enough to rule.

Incompetence, arrogance, and lack of accountability to the ordinary citizen and the generations to come will cause unnecessary loss and pain for a nation.

Just a Malaysian: GLICs as the vehicle for driving investment is a failed model. Yet every prime minister is pushing to do more of the same.

After incurring huge debts, the government is now turning to our savings to enter a risky competitive field using the same old ineffective management.

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