

10MP growth target 'wishful thinking'

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Respected economist Lim Teck Ghee has thrown some cold water on the optimistic projection of the 10th Malaysia Plan helping the country hit an annual growth rate of 6 percent.

"I would like to say it is an impossible dream, but that is too harsh. However, the projected growth is just wishful thinking," he said at a forum held in Kuala Lumpur last night.

"I predict there will be wholesale revision during the first mid-term review," he added.

NONEAccording to Lim (right), who is Centre for Policy Initiatives director, the set targets can only be reached if there is strong economic growth in China and a boom in the prices of oil and other commodities.

Even worse, he also expects the gulf in the income disparity between the haves and have-nots to widen further in the next five years with wealth concentrated in the hands of the political and business elite, contrary to the hope expressed in the plan to reduce the gap.

Umno blamed for allocation monopoly

Lim explained the pessimism over the 10MP was mainly due to Umno, which leads the "distributional" coalition that has depleted much of the government allocations.

"A lot of the money (under the previous Malaysia Plans) has gone to the distributional coalition tied up with trusteeship of the New Economic Policy," he charged, including BN component parties, bureaucratic agencies, government-linked companies, the military and religious agencies.

However, he did praise the first part of the New Economic Model (NEM) for actually admitting the challenges facing the country while calling for changes.

Unfortunately, Prime Minister Najib Abdul Razak has chosen to compromise bowing to the pressure from Perkasa and other Malays groups to retain the race-based affirmative action instead of implementing the proposed need-based program.

"(Perkasa chief) Ibrahim Ali and (former prime minister) Mahathir Mohamad told him in no uncertain terms that the NEM didn't have affirmative actions for the bumiputera and you better retain them," he added.

Another panelist Dr Edmund Terence Gomez, University Malaya economic professor, also shared Lim's gloom.

A GE loss good medicine for BN

He opined that the biggest problem on Najib's side is the lack of political will in the face resistance within the party, which only can change when the BN loses in the next general election.

To substantiate his argument, he used Taiwan's Kuomintang (KMT) as an example.

"Only after being thrown out, did the KMT realise they could be removed and cleaned itself. After regaining power, they are now a much cleaner party," he added.

NONEGomez (right) also pointed out that NEM and 10MP were nothing new, just repetitions of the privatisation policies introduced by Mahathir in 1980s.

"All seem to think privatisation is the panacea for the economy. We have actually gone down that road before. What happens is massive renationalisation of the industry and companies that we privatised before, including the Bakum Dam, Sime Darby and MAS," he said.

"If you look today, the key players in the economy are government-linked companies, this indicates the failure of privatisation," he added.

He also said that the inability to attract private investment can be traced to Mahathir's decision during the Asian economic crisis to merge more than 50 banks into 10 anchor banks.

"By consolidating the banks, he displayed the great power of the state by expropriating banks from the businessmen who had built it up for generations. This instills fear in the private investors," he said.

The forum titled 'The 10th Malaysia Plan - Are we moving forward or backward?' was organised by the 20-Year Plan of Action secretariat of Federation of Chinese Associations of Malaysia and attended by around 60 people.

The other panellist was Khaw Veon Szu, executive director of the Gerakan think-tank Sedar Institute.

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