

CIMB boss: Economic reform delays causing worry
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CIMB group chief executive officer Nazir Razak said the massive plunge in foreign direct investments last year was partially caused by uncertainties over economic reforms, such as the implementation of the New Economic Model (NEM).

"The whole issue with deciding the new version of NEP (new economic policy) is sensitive but we have to deal with it. My worry is that we have taken too long to deal with it.

nazir razak"Let's just decide which way we want to go, what kind of affirmative action will remain," said Nazir (right) in his speech during a forum entitled "Growing beyond borders" at the 15th Malaysian Law Conference.

Prime Minister Najib Abdul Razak, Nazir's older brother, has thus far revealed the a draft copy of the NEM and a final copy is expected later this year.

Najib has clarified that the draft was provided by the National Economic Advisory Council and not part of his administration's policy.

Nazir said that the tweaking the four-decade old NEP was "simpler than we think" thus the government must now be decisive on economic reforms and execute them promptly, without being sidetracked by detractors.

"There's (Malay rights pressure group) Perkasa screaming in a corner and all these things are happening. This period (of uncertainty) must be cut short," he said.

'Wait and see'

He also pointed out that although the government had stated their intentions to identify national key economic areas, micro-management is needed to steer the economy.

"I think historically, we have spent too much time on the macro, the statements and the big plans. It's time to go into the micro (economics) and really transform the Malaysian economy," he stressed.

azlanAt a press conference later, Nazir opined that the sharp 81 percent drop in the FDI last year had caused investors to shy away from Malaysia given the uncertainties.

"For example, if I invest now, I need a bumiputera partner but the requirement might be changed next year... So as an investor, I will think it is better to wait and see," he said.

However, he added that the FDI plunge could also be attributed to the timing and stressed the government should attract quality investment rather than just big figures.

"I have been to the financial lab (the government's transformation initiative) and the process is correct... Therefore I am optimistic that the financial sector will come out stronger," he said when asked if the government was addressing the right issues.