

Chua focuses cross-hairs on equity system
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In his strongest rebuke of the country's economic policies yet, MCA president Dr Chua Soi Lek has hit out at the protectionism and Ali Baba culture.

In fact, he has proposed a system he has termed "margin of preference" aimed at giving opportunities to bumiputera companies while allowing the participation of the other communities at the same time.

Turning to the construction industry as an example, the former health minister said that there has to be an allowance for bumiputera contractors to have a higher starting price for their tenders with their counterparts from the other communities being allowed to join in the bidding.

At the moment, the norm for some projects is to open up the tender for 'Class F' contractors who are exclusively bumiputera. This means that non-bumiputera are not even allowed to be in the running for the bidding.

chinese economic congress 140810 chua soi lek In effect what Chua's (right) proposal means is for the government to open up the industry to non-bumiputera players, although he agreed that bumiputera contractors should still be given a head-start by giving them a higher allowance to start their tender's offer price.

"At the moment, if a bumiputera contractor gets the contract, they'll just sub-contract it to a non-bumiputera contractor," he said at a press conference on the sidelines of the Chinese Economic Congress in Kuala Lumpur this morning.

At the same time, he said an effective monitoring system should be in place to check abuse and to prevent the traditional subcontracting practice.

"There has to be a system which allows all of us to compete at the same time," he said.

'Open up GLCs to include non-bumi directors'

Earlier in his opening speech at the MCA organised congress, Chua clearly outlined the Chinese business community's demands which pressed for more fairness and equity.

chinese economic congress 140810 audience Listing out several key points, he urged the government to be flexible in the implementation of the 30 percent bumiputera equity in other sectors, following Prime Minister Najib Razak's decision to relax the equity requirement for stock ownership as well as the liberalisation of the 27 services-sub sectors.

He also urged more government-linked companies (GLCs) to open up their board of directors to include more non-bumiputera as well as international expertise.

"It is important also that GLCs open up their procurement system to include competitive SMEs basing on the quality of their service and products that they offer, rather than based on race or equity requirement," he said in his speech.

bagan pinang by election 041009 bn markas under construction 06 He also called for greater transparency in the tendering process.

"Closed tender systems have always been associated with corruption and kickbacks... Vying in open tender system not only remove accusations and talk of corrupted administration but also lowers the cost of projects," he said.

Finally launching a thinly-veiled salvo at the present race-based affirmative action, but not before padding it with assurances that Chinese Malaysians are a loyal bunch, Chua said that drastic changes are needed to keep up with the competitive side-effects of globalisation.

"Malaysians cannot remain globally competitive unless we have a merit-based system.

"On the other hand, we must inculcate a caring society in which the poor must be looked after. The New Economic Model has pointed out that the bottom 40 percent of households earn less than RM1,500 per month.

"Thus it is clear that preferential treatment must be given according to the needs, rather than the race."

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