

Chinese chambers cautiously optimistic on economy
Malaysiakini.com
August 18, 2010

The Chinese business community is cautiously optimistic on Malaysia's economic outlook between 2010 and 2012, said a national council member of the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM).

Leong Kai Hin said the optimism and confidence are based on improved business in local sales, overseas orders and related indicators.

"Based on our survey, respondents experienced higher production volume and inventory in the first half of this year. There have been increases in fresh orders from overseas markets and a pick up in new local orders," he told a media briefing about ACCCIM's survey on Malaysia's economic climate in the first half of 2010.

NONE In line with the unchanged employment market, Leong, who is also ACCCIM's commerce committee chairperson, said a vast majority of Chinese businessmen maintained their wage costs per unit of goods and services for the second half of 2009 and first half of 2010.

The survey respondents were mainly wholesalers, retailers, manufacturers, professionals, service providers and construction entrepreneurs.

Leong however said there could be a slowdown in the second half of this year as projections of a softer economic growth globally could dampen the outlook in the domestic economy.

ACCCIM socio-economic research committee deputy chairperson Peck Boon Soon said there were concerns that the removal of subsidies and a change in foreign labour policy may impact the business sector.

The survey showed 63 percent of the respondents are heavily dependent on foreign workers, he said.

The business fraternity were also worried over the rising cost of doing business, he said.

Gov't should run power plants

ACCCIM president William Cheng said manufacturing sites could be relocated to rural areas to get more people to work in factories.

NONE Spiralling electricity cost was also another cause for concern to businessmen, he said.

He said the government should reconsider the Independent Power Producers' Policy and it should run its own power plants.

"Power plants should not be left entirely to private entities as it is much easier for the government to get cheaper rates of financing through government-guaranteed bonds," he said.

On attaining high quality of life as outlined in the New Economic Model (NEM), Cheng said nearly 60 percent of the respondents replied it was possible to achieve the goal.

"Though the NEM is still in its infancy stage, it appears that the Malaysian government still has an enormous task at hand to clearly communicate and convince the business sector that the NEM goals will ultimately benefit the people and businesses," he said.

The survey also revealed the biggest challenge for the government was equitable income distribution among Malaysians irrespective of race, he said.

Cheng said this may be attributed to the legacy of the New Economic Policy (NEP) era after having been in place for many decades, the NEP is still seen by the government as still far off from achieving its goals under the affirmative actions taken by the government.

In order to eradicate poverty and raise living standards, he said it was important to have a new focus now and more forward-looking policies to train Malaysians irrespective of race through education to reach the high-income level and increase investments into Malaysia.

"We need to work hard to increase foreign direct investments. We need a clear policy for foreign investors to have confidence to invest in Malaysia," he added.

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Source : <http://www.malaysiakini.com/news/140428>