

UN figures cast doubt on 'FDI surge'
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A report by the United Nations Conference on Trade and Development (Unctad) has cast doubt over the actual amount of foreign direct investment (FDI) into Malaysia in 2006.

In a statement published Jan 9, Unctad estimates that Malaysia's 2006 FDI was around US\$3.9 billion (approximately RM13.8 billion), or 1.6 percent less than the US\$4 billion recorded the year before.

The report contrasts International Trade and Industry Minister Rafidah Aziz's announcement that FDI had surged to a record high in 2006.

Last Wednesday, Rafidah announced that 'approved FDI' for the manufacturing sector was at a record RM20.2 billion, a 1.13 percent improvement over 2005.

Such figures were among other factors that are being recently heralded as signs of Malaysia's economic resurgence by the government and media under its control.

'Actual' vs 'Approved' FDIs

Commenting on the latest development, Opposition Leader Lim Kit Siang said the prime minister should explain the RM6.4 billion difference between government data and the preliminary estimates by Unctad.

In a statement today, Lim cautioned that the difference would increase to RM9.85 billion if two qualifications to the government's figures were taken into consideration.

"Firstly, the figures are for approved FDI figures for the year, which are very different from actual FDI inflows. For instance, for 2005, approved FDIs in manufacturing was RM17.9 billion, but actual FDI inflow into the country was (approximately) RM15.1 billion - a short fall of RM2.8 billion.

"Secondly, the FDIs in manufacturing represents only 75 percent of total FDIs, which will bring the difference between FDIs for manufacturing as approved and actual inflows for 2005 to RM6.6 billion," said Lim.

If 75 percent of Unctad's figures were for the manufacturing sector, then the difference between the government's latest figures and the former would stand at RM9.85 billion, said Lim.

"A full and proper explanation for these different set of FDI figures should be given to the people in keeping with the government's pledge of accountability, transparency and good governance," added Lim.

Government can't afford books?

In a related development, Lim said the government's about-turn in providing all school children with textbook loans, also cast doubts on whether the government was financially

stable.

“When the government has to cancel the textbook loan scheme for all students because it cannot afford the additional expenditure of RM100 million, it strains credibility to believe that the government and the country is aflush with funds,” said the veteran politician.

According to Bernama on Feb 18, Deputy Education Minister Noh Omar said the government could not provide all school children with textbook loans because of the RM100 million incurred.

At present, only families with a gross income of RM2,000 and below qualify for the book loan scheme.

The same report quotes consumer activist and parent Sheikh Omar Sheikh Hamdan’s displeasure over the withdrawal of the book loan scheme extension.

“If the ministry is talking about extra costs, then we do understand. But the public cannot swallow the excuse of the ministry taking into account the interest of textbook publishers and distributors,” said Sheikh Omar.

The article also quotes another parent who lamented that families’ with gross income just above the cap, but have several school-going children, would be severely burdened by the price of textbooks.

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