

PM: Bumi equity only at 19.4%
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Fauwaz Abdul Aziz

Prime Minister Abdullah Ahmad Badawi said today that the 30 percent bumiputera equity target has not yet been achieved, although their equity ownership in the corporate sector increased from 18.9 percent in 2004 to 19.4 percent in 2006.
MCPX

As such, several additional measures will be undertaken to achieve that objective by 2020, said Abdullah when tabling the government's mid-term review of the Ninth Malaysia Plan.

Among the measures he proposed were:

- * Greater emphasis will be given towards ensuring that the bumiputera community has controlling stakes in private companies.

- * Bumiputera will be encouraged to invest in new growth areas such as information and communications technology, biotechnology, photonics, nanotechnology, advanced manufacturing and precision engineering.

- * The role of bumiputera institutions such as Permodalan Nasional Berhad (PNB) and Tabung Haji will be strengthened to consolidate the funds of bumiputera individuals.

- * Talented bumiputera graduates with creative and innovative ideas will be provided with capital to commercialise their ideas.

- * A comprehensive database to monitor the performance of bumiputera in the corporate sector will be set up.

The issue of achieving the 30 percent NEP target has been hotly debated with several academics and institutions claiming that the figure has been reached and thus the affirmative policy should be scrapped.

However, the government has always maintained that the target was still not met. NEP was formulated in 1970 to elevate the economic status of the bumiputera.

Native customary land to be developed

Abdullah also said efforts such as unit trust schemes, entrepreneurship development and skills training will be further enhanced to increase equity ownership among bumiputera in Sabah and Sarawak.

"To increase the ownership of non-financial assets of bumiputera in Sarawak, native and customary land will be continued to be developed for commercial purposes," he said.

Other points made during Abdullah's mid-term review of the Ninth Malaysia Plan tabled in Parliament today were:

Indian equity ownership decreases

Equity ownership of individuals in the corporate sector among the non-bumiputera has also risen, from 40.6 percent in 2004 to 43.9 percent in 2006.

However, the percentage of corporate sector equity ownership among Indian Malaysians has decreased slightly from 1.2 percent to 1.1 percent.

Nevertheless, in absolute terms, ethnic Indian equity ownership increased from RM575.2 million, or nine percent, over the same period.

"To increase corporate equity ownership among ethnic Indians to 1.5 percent by 2010, efforts will continue to be undertaken to increase access to skills training and entrepreneurship development programmes.

"In addition, special assistance will be given to the ethnic Indian community to raise the level of their equity ownership through unit trust schemes," said Abdullah.

More incentive for economic corridors

Abdullah also said that the government planned to attract private sector investors, both foreign and domestic, to invest in the growth corridors.

Towards this end, the government will be offering several incentive packages.

"Moreover, each corridor development authority will be introducing its own set of specialised initiatives to develop more entrepreneurs, including bumiputera entrepreneurs, within their respective corridors," he said.

"In order to ensure that projects are effectively implemented and monitored, I have directed each corridor development authority to deliver a progress report regularly to the cabinet every three months."

Bumi development initiatives

The second phase of the Bumiputera Commercial and Industrial Community (BCIC) development will be given further emphasis through the implementation of the cluster development initiatives, which will be driven by the private sector, he said.

"This initiative is expected to increase bumiputera participation in 11 key economic sectors, including construction, logistics and distributive trade.

"To drive the development of bumiputera entrepreneurs, programmes such as franchise development, strategic participation in business networks and the listing of bumiputera companies on Bursa Malaysia will continue to be undertaken."