

Anwar's motion on economy rejected
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A motion by Opposition Leader Anwar Ibrahim to discuss the problem of negative foreign investment inflow into Malaysia was rejected by the deputy speaker Ronald Kiandee this morning.

"I am rejecting the motion to discuss, although it is specific and of public interest, it is not necessarily an immediate concern.

"Already during two different instances - the Trade Minister Muhyiddin Yassin on Oct 30 and the parliamentary committee on Nov 20 - have already dealt with this issue," said Kiandee.

Anwar wanted the House to confront the issue in light of the unstable global economy.

He also wanted the House to discuss the latest United Nations Conference on Trade and Development World's Investment Report 2008.

"The situation persists then we face the prospect of a shrinking of the economy, a deteriorating Gross Domestic Product and higher unemployment," he said in support of his motion.

The report outlined that Malaysia had a negative FDI flow - effectively more investment is leaving the country than is entering the local economy.

This, he reiterated, was a crisis of confidence in the local economy as businesses were moving their capital elsewhere.

"The report shows that we have brought in RM29 billion in FDI in 2007, however we have also bled RM38 billion in 2007, therefore we have a negative amount," he said.

The Permatang Pauh MP also stressed that compared to all the Asean countries, Malaysia was the only one with a low FDI.

Later talking to reporters at the lobby, Anwar explained the importance of debating the reduction in the flow of foreign investment into the country.

"In 1995, Malaysia, in terms of FDI, was sixth in the world. In 2006 we were in the 60s in ranking," said the former finance minister.

Government in denial

parliament anwar pc on motion rejected 241108Anwar also said that a joint research by the United Nations, private bankers UBS and Institute of International Finance showed that national policy in terms of controls and regulations has contributed to the nation being less attractive to foreign investments.

The research also showed that there was a shortage of skilled workers and that there existed a mismatch of what investors want and what we have produced, Anwar added.

He also stressed that there was a high transaction cost in Malaysia, due to endemic bribery and corruption.

"It is bribery when its small-timers, but commission when it is leaders," he said.

He added that the all-time high crime rates were also reducing the nation's attractiveness.

"Why is it difficult for the government to set aside one or two hours to discuss a specific issue affecting our country?"

"We want to engage, they don't want to engage," he said, adding that the government was in denial of the economic crisis.

Anwar also touched on the movement of local funds abroad, saying that they are leaving due to lack of confidence in the local market.

He said that some of the outflows were understandable as they were investments by Malaysians. However, he said, the total amount leaving the country was questionable.

"Not all are funds leaving for investment. We would know if they are," he said.

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