

PM: Industrial subsidies to be phased out
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Government industrial subsidies will be gradually removed as part of the government's New Economic Model to create a competitive business environment, said Prime Minister Najib Abdul Razak today.

"Subsidies for industries must be restructured and gradually phased out and greater domestic competition must occur," the premier said during his opening speech of the 1Malaysia Economic Conference in Kuala Lumpur.

Najib said this was part of the government strategy to make Malaysian industries more competitive and steer Malaysia towards a high-income economy. Citing an example, the premier said the country could not afford "over-subsidised and under-priced energy" currently enjoyed by industries.

"Nurturing of infant industries must be done differently and based on skills, technology, access to capital and marketing support but not on protection. The sooner we realize these new realities, the better it will be for all of us.

"Complaints and demands to be shielded from competition will get the industry participants nowhere. Whether or not we like it, the global environment has changed," he added.

ACCCIM wants protection

Earlier, conference organisers Associated Chinese Chambers of Commerce and Industry in Malaysia (ACCCIM) urged the government to form a pact with neighbouring Indonesia and Thailand to protect local industries.

Preceding Najib, ACCCIM president William Cheng's speech called for the three governments to convince China to limit its export growth to 10 percent.

"The minister of international trade and industry, together with his counterparts in Thailand and Indonesia, (should) try and convince China to regulate (export growth) to ten percent," said Cheng.

Cheng said such an arrangement will allow China to maintain comfortable growth that will not be detrimental to the three other nations.

The ACCCIM conference was organised to formulate recommendations for the government's New Economic Model.

Thus far, ACCCIM has submitted fourteen written proposals to the government in 2009.

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