

Industry gives thumbs up to NEM, for now
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The New Economic Model (NEM) announced at the Invest Malaysia Conference in Kuala Lumpur today has received positive feedback from industry experts.

NONEHowever, they said, Prime Minister Najib Abdul Razak's announcement only contained the broad strokes and that they are looking forward to more details tomorrow.

Speaking on the sidelines of the conference, Maybank CEO Abdul Wahid Omar said the NEM's three-prong approach is at once a bold and balanced one.

The model is built on three principles, namely high income, inclusiveness, and sustainability.

Abdul Wahid also lauded the government's decision to take a consultative route, as this would "encourage greater buy in and garner support from key implementers and society at large".

The policies proposed in the first installment of the NEM are actually long overdue, added Institute of Strategic and International Studies director-general Mahani Zainal Abidin.

This is especially for the case of Malaysian Industrial Development Authority (Mida), which Najib announced will be corporatised and renamed the Malaysian Investment Development Authority.

Mida will also be authorised to negotiate directly with investors for targeted projects.

"This should have been done long ago to allow Mida greater ability to promote Malaysia in the international investment market," Mahani said.

kwsp epf logoThe same can also be said for the Employees' Provident Fund (EPF) which can now invest more of its assets overseas.

"The EPF is growing and will need to start investing abroad, in larger markets like China and India. However, there must be tight safeguards to secure such investments," Mahani said.

Worry for investors

Executive chairperson of manufacturing firm Supermax Corporation Bhd Stanley Thai said the revamp of affirmative action will be welcomed by investors locally and abroad.

"We view the announcement positively, as raced-based affirmative action has caused discomfort among local and foreign investors.

"We often get questions from puzzled (international) customers and investors about Malaysia's practice of raced-based policies, which do not benefit the majority."

Moving to a needs-based policy will improve the international perception of Malaysia and help attract foreign direct investment, he said.

While optimistic about the political will of the government, Thai said the success of the NEM will depend on its implementation.

"In the past, policy reforms have not been so successful but this government appears to be more serious about pushing through reforms. We would like to reinvest in Malaysia, so we want to see these policies succeed," he said.

'Hold parliamentary meeting'

Bukit Bendera MP Liew Chin Tong, who also attended the conference, was less enthusiastic, saying that the NEM offers nothing new.

While he agrees with the general thrust of the policy, he said the prime minister has failed to address the crucial issue of corruption.

NONE Liew was also sceptical about the government's consultative approach, asking Najib to convene a special meeting in parliament to prove his seriousness.

The policy is scheduled to be debated in Parliament along with the 10th Malaysia Plan in June.

"When new policies are introduced in other countries, a select committee is set up to hold public hearings nationwide before the matter is debated in Parliament," added Liew.

"The government has allocated only six days to debate the 10th Malaysia Plan and it is not enough."

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