

Economy still needs gov't involvement: analyst
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The Malaysian economy still needs the government's involvement to grow, though under the New Economic Model (NEM) the responsibility has shifted to the private sector, says an analyst.

Lorraine Tan, vice-president of Equity Research, Asia, Standard & Poors, said the shift to the private sector was good for a balance but government's involvement was still needed for the medium term.

On market capitalisation, Tan said the Malaysian market has been marginalised as the size of the average company in Malaysia has not really grown to the extent of some companies have in other countries like in Indonesia.

She said the government still needs to encourage consolidation and greater operational efficiency.

"They need to raise the benchmark to encourage them to move up the value chain but it should be done with the companies that have the capabilities," she told the "Malaysia's Challenges and Opportunities" session at the Invest Malaysia 2010 conference in Kuala Lumpur today.

Tan said Malaysia needs to be more efficient in bringing in higher technology.

"Local players need to work to set up JVs and foreign investment companies that come in must train locals," she added.

Urgent need for skilled, innovative manpower

Wong Siew Hai, chairman of the Malaysian-American Electronics Industry, American-Malaysia Chamber of Commerce, said there was an urgent need to address shortage of skilled and innovative manpower in Malaysia.

"Shortage of skilled manpower at the high-and low-end is widening. Malaysia has to decide what has to be done as the situation has come to a stage that the majority of the industries need foreign workers.

"Education is important but to be able to deliver, one needs aptitude, attitude and skills," added Wong, also a panellist at the same session.

- Bernama