

PM: Bumiputeras still lagging

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PUTRAJAYA: It is wrong to say that Bumiputeras already own 45 per cent of the country's total business equity.

Contrary to figures cited by independent think-tank Asian Strategy and Leadership Institute (Asli), Bumiputeras are still far behind.

Prime Minister Datuk Seri Abdullah Ahmad Badawi said the methodology used by Asli in counting government-linked companies (GLCs) as Bumiputera companies was wrong and could even lead to anger.

"They adopted an approach based on a survey involving only 1,000 companies listed on Bursa Malaysia, unlike the Economic Planning Unit (EPU), which involved 600,000 Malaysian companies (in its survey) and used government documents.

"If you want to talk about nominee companies, there are over 300 such set-ups and when a survey was conducted (by EPU), 60 per cent of these companies were not owned by the Bumiputeras.

"Only 13 per cent are owned by

Bumiputeras."

The debate over Bumiputera equity came about after Asli published a report earlier this year that the New Economic Policy target of 30 per cent had been exceeded.

Its report "Corporate Equity Distribution — Past Trends and Future Policy" also disputed the Ninth Malaysia Plan statistics that Bumiputera ownership remained stagnant at 18.9 per cent, and said that the continued promotion of affirmative action should be reviewed.

Economist Datuk Dr Zainal Aznam Yusof had said that the 45 per cent cited by Asli was wrong and the government's 18.9 per cent was the accurate figure.

Zainal Aznam also said the Asli study considered government-linked companies as predominantly Bumiputera, while the government removed GLCs from its figures.

A third flaw was Asli's use of market capitalisation while the government used the par value, or nominal value, and the number of

units of shares a person held.

Abdullah, speaking after chairing the fifth National Implementation Task Force (NITF) meeting yesterday, also said as Asli's information and methodology used were wrong, the figures it reached were also inaccurate.

"Such findings will only create negative reactions, raise all sorts of questions and accusations.

"When the conclusion made is not right, the action (by Asli) can be deemed as irresponsible."

Abdullah explained that GLCs were not Bumiputera companies, but government companies.

"The revenues reaped by all GLCs will be handed over to the government to be saved in funds for use by the people and the country. If they think that GLCs are Bumiputera companies, that is not right at all.

"Such perception will only create negative reactions among the non-Bumiputeras. The findings (by Asli) can even lead to anger."

On the meeting, he said the Education Ministry would embark on major efforts to improve the