

Asli admits claims on equity ownership flawed

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KUALA LUMPUR: A prominent think-tank ended the debate over its claim on Bumiputera corporate equity ownership by admitting that its methodology was flawed.

The Asian Strategy and Leadership Institute (Asli) yesterday said there were shortcomings in the assumption and calculations that led to its claim that the estimated Bumiputera equity ownership in public-listed companies may be as high as 45 per cent.

Stating that these conclusions could not be "vigorously justified", Asli president Mirzan Mahathir said in a statement that the report, therefore, did not fairly reflect the true picture of total equity ownership by Bumiputeras in Malaysia.

"Asli deeply regrets the hurt and confusion felt by all Malaysians caused by the centre's report. In our 13-year history, Asli has never projected an agenda other than to help create a better society

through the promotion of strategic thinking and leadership qualities,"

As the 30 per cent ownership of Malaysian corporate equity by Bumiputeras was one of the key targets of the New Economic Policy, he said it was important to have a reliable methodology to measure the government's success in meeting the target.

"The report has ignited public debate on the subject which, we hope, will lead to a better understanding of the merits of the current methodology.

"All methodologies are, at best, good estimates of the true situation and due to the importance of the threshold to the public, should be as transparent as possible."

He also said Asli would "humbly take all criticisms levelled with an open heart" to improve itself.

The centre's report that the estimated Bumiputera equity ownership in public-listed companies might be as high as 45 per cent of total equity traded on the Malaysian bourse had been disputed by many.

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Prime Minister Datuk Seri Abdullah Ahmad Badawi, in commenting on the issue on Thursday, rejected the findings as baseless and inaccurate as several indicators used by the centre were irrelevant.

He noted that Asli's findings were based on a survey of 1,000

companies on Bursa Malaysia while the Economic Planning Unit's study, which showed Bumiputera corporate equity ownership at 18.9 per cent, was more exhaustive.

Agriculture and Agro-based Industries Minister Tan Sri Muhyiddin Yassin said yesterday he was glad the think-tank had conceded the shortcomings of their study.

"It is a very serious matter, and I hope this statement clears the air. I do hope that in future Asli or any other organisation be careful in the approach they use."

He said the issue of Bumiputera corporate equity was very 'critical and mattered to the entire nation. Therefore, it had to be treated with extra sensitivity.

Economist Datuk Dr Zainal Aznam Yusof welcomed the clarification by Asli.

"Nonetheless, we should also welcome the suggestion by Asli that we need greater transparency and clarity in the methodology used by the government and in their planning documents."