

THE SUN

# Improve equity but stay competitive: PM

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**KUALA LUMPUR:** One of the most difficult challenges Malaysia must meet is to improve equity without sacrificing competitiveness, Prime Minister Datuk Seri Abdullah Ahmad Badawi said yesterday.

Many have come to regard Malaysia's affirmative action measures - widely known as the New Economic Policy - as a cost of doing business in Malaysia, he told some 150 delegates at the Economist Intelligence Unit Business Roundtable Conference with the Malaysian government here.

"But many fail to appreciate the spirit behind the policy and this is crucial to understanding Malaysia," he said to the local and foreign corporate leaders on the first of the two-day conference.

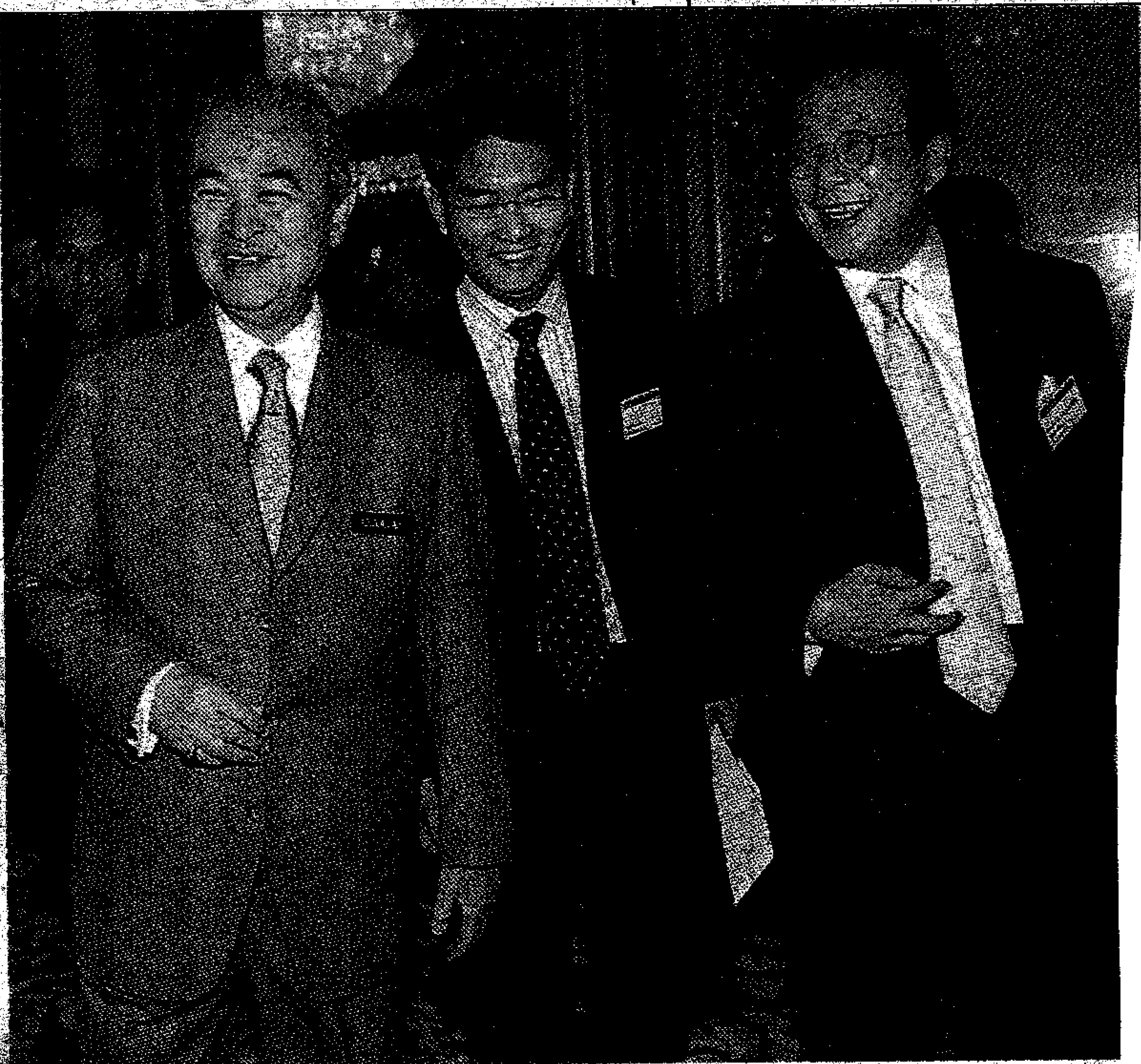
"The most difficult issue that we must address is to improve equity without sacrificing competitiveness."

The objective to dissociate race from occupation or social standing is critical in ensuring the long-term unity and cohesion of Malaysia's plural society, he said.

This was particularly relevant, given Malaysia's legacy and population structure.

The conference, sponsored by Nokia Siemens Network and Towers Perrin, is a platform for business leaders to engage policy makers in discussion on key issues affecting businesses and investors.

In his address, Abdullah provided a broad view of where



Malaysia was headed, including with Vision 2020.

He said Malaysia's success story after 50 years of independence included reducing the poverty rate to 5.7% from over 60% in 1957, annual economic growth of 6.5%, trade surpassing RM1 trillion, foreign reserves of over US\$95-billion (RM323 billion) and a strong stock market performance of late.

Abdullah highlighted the Iskandar Development Region and said the northern and eastern development plans would be launched soon.

"The plans are ready and we are waiting for consent from the

respective sultans as they involve a huge area of land. We expect to launch them in two months."

He said a special public-private taskforce was working on streamlining procedures for licences and permits.

"Reduced bureaucracy lies at the heart of the government's anti-corruption strategy. Such preventive measures reduce opportunities for corruption."

Abdullah also commented on public concern over the crime situation in the country.

"Although the numbers tell a story of improvement (in some cities), there is still a need to address perceptions and fears. Based on the situation in Johor recently, the police have beefed up personnel and patrols."

After opening the conference, Abdullah had a closed-door discussion with business leaders on the government's priorities in the Ninth Malaysia Plan.

The issues addressed included how the government planned to encourage a diversified economy, whether reforms were on track, Malaysia's role in fostering regional integration and whether Abdullah's anti-corruption drive was yielding results.