

Rules eased to woo foreigners yet help Bumis

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PUTRAJAYA: Malaysia is gradually liberalising policies that protect Bumiputeras to encourage foreign investment.

Prime Minister Datuk Seri Abdullah Ahmad Badawi said the government had also tweaked the New Economic Policy (NEP) to help Malaysia compete in a globalised world.

None of this has affected the NEP's long-term objective of equitable distribution of wealth.

"Our policy to help the Bumiputeras... there have always been questions of uncertainty on how to deal with this. We are aware of that.

"We are liberalising in many ways, while bearing in mind that it has to do with social equity, that there has to be equitable distribution of resources and opportunities for all races.

"We have made adjustments in terms of how to do it. For example, we announced incentives for the Southern Johor Development Corridor, where we liberalised in a way that everything to do with control by the Foreign Investment Committee has been set aside.

"I have faced criticisms over this," Abdullah told captains of industry and corporate leaders representing, among others, companies on the Forbes Asia Fabulous 50 companies' list.

They were attending an awards ceremony for the "Fab 50" companies and the Forbes Asia Businessman of the Year.

Abdullah was speaking in a question-and-answer session with *Forbes Asia* editor, Tim Fer-



Prime Minister Datuk Seri Abdullah Ahmad Badawi addressing captains of industry and corporate leaders at the Forbes Asia function in Putrajaya yesterday.

guson, who is also executive editor of *Forbes* magazine.

Ferguson had asked whether Malaysia was risking the NEP by participating in global capitalism.

Abdullah said that despite having the NEP, the majority of foreign companies had stayed on to do well in Malaysia.

"We've not chased away any companies. Many have remained committed to Malaysia and have been doing well all these years with no intention of leaving."

He added that the NEP had created a group of Malay entrepreneurs and managers, some of whom had done well enough to compete overseas.

Abdullah said many of these managers wanted to compete in an open environment and were

taking up projects abroad.

Ferguson also asked whether the government's decision to call off talks between Proton and foreign partners was indicative of its approach towards capitalism. Abdullah replied that Malaysia's record showed that it was an open economy benefiting from the presence of many foreign companies here.

On democracy and economic growth, Abdullah said stability and transparency were most important for investors regardless of whether a country was ruled by an army or had a parliamentary system.

When Ferguson touched on the recent street protests by Bersih and the Hindu Rights Action Force, and whether such events

could become "roadblocks" to economic growth, Abdullah replied: "Whatever you hear, it's because the elections are coming. I believe we will come back after the elections with a two-thirds majority."

On Malaysia's mediocre rankings on world competitiveness and transparency surveys, Abdullah said the government was tackling those weaknesses.

On his move to cancel or postpone certain mega projects after becoming prime minister, Abdullah said it was because the government was facing a deficit budget at that time.

He said some of the projects were being revived, citing the double-tracking project as an example.