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Newspaper	New Straits Times
Date	8 August 2015

PRIME NEWS

Govt firms' turnaround plan pays off

TRANSFORMED: Market capitalisation of top 20 GLCs has grown three times in 11 years, says PM

SYED UMAR ARIFF
KUALA LUMPUR
news@nst.com.my

A DECADE-OLD plan to revitalise government-linked companies (GLC) has achieved considerable success. Prime Minister Datuk Seri Najib Razak said.

The plan, called the GLC Transformation Programme (GLCT), was introduced by former prime minister Tun Abdullah Ahmad Badawi and expanded upon by Najib since 2009. Among the measures taken to reform the performance of GLCs were corporate restructuring and operational improvements.

"Before the programme, unfortunately, many GLCs were under-performing. A few were on the verge of bankruptcy and had to be recapitalised by the government. We did so because we believe in their potential.

"(At the same time) the measures taken had prepared GLCs for the 2008 economic crisis from a position of strength and to weather the ensuing volatility. This helped our economy to remain stable," Najib said at the Graduation Ceremony of

GLC (government-linked company) Transformation Programme.

The "graduation ceremony" marked the improved economic and financial viability of GLCs that previously performed under par more than a decade ago.

Najib also listed several of the programme's successes, particularly achievements by top 20 GLCs (G20), including Axiata, CIMB and Sime Darby — from May 2004 to July this year, market capitalisation of G20 grew almost three times from RM134 billion to RM386 billion.

He also said the G20's net profit hit RM26.2 billion last year and grew at a compounded annual growth rate of 102 per cent from 2004 to last year. Najib said the G20 made significant inroads into foreign markets, with overseas share of assets growing from 11 per cent in 2004 to 26 per cent last year.

"Meanwhile, overseas share of revenue in 2004 was 28 per cent and increased to 34 per cent last year. This is indeed a remarkable achievement. The GLCs have not only gone international but several have also made mark.

"(For example), Axiata has grown to become one of the largest telecommunication companies in Asia. CIMB and Maybank have significant operations in Southeast Asia while Malaysia Airports Holdings Bhd has become the first Asian company to fully-own a European airport (Istanbul Sabiha Gokcen International Airport)" said Najib.

On the domestic front, GLCs have contributed RM108.6 billion in div-



Prime Minister Datuk Seri Najib Razak, with Second Finance Minister Datuk Seri Ahmad Husni Hanadzlah (third from right), Khazanah Nasional Bhd deputy chairman Tan Sri Nor Mohamed Yakcop (left) and Employees Provident Fund chief executive officer Datuk Shahril Ridza Ridzuan, viewing the exhibits after the Graduation Ceremony of GLC Transformation Programme in Kuala Lumpur yesterday. Pic by Khairull Azry Bidin

idends and RM62.7 billion in taxes within the last decade. Najib also said GLCs had spearheaded the growth of economic corridors of Iskandar Malaysia, East Coast Economic Region and the Northern Corridor Economic Region.

He added that the GLCs had delivered large-scale infrastructure projects, such as Second Penang Bridge, klia2, KL Sentral and high-speed broadband.

Najib also spoke of the GLCs' involvement to forward the Bumiputera Economic Empowerment Programme, which was launched in 2013, as one of the country's key national programmes.

"I am pleased to report that last year, government-linked investment companies (GLICs) and G20 economic activities for the Bumiputera community grew to RM43.9 billion from RM34.2 billion in the previous year. The increase of RM9.7 billion exceeded the initial RM7 billion target."

He said GLCs had provided new business opportunities and in running vendor development programmes. The number of suppliers

engaging with G20 stood at almost 67,000, with RM98.2 billion worth of businesses awarded to them.

Najib also announced the setting up of a "club" for GUC and G20, or a successor entity to the GLCT programme to spur efforts in achieving

a high-income nation status. He said the club would be open to all local companies. Present were Chief Secretary to the Government Tan Sri Ali Hamsa and Khazanah Nasional Bhd managing director Tan Sri Azman Mokhtar.

Najib thanks Abdullah for supporting administration

KUALA LUMPUR: Prime Minister Datuk Seri Najib Razak yesterday expressed gratitude to his predecessor, Tun Abdullah Ahmad Badawi, for supporting the government through thick and thin.

Najib said he appreciated Abdullah for putting his faith in the administration, unlike a few who decided to job attacks after leaving office.

In an apparent swipe against detractors, chiefly former prime minister Tun Dr Mahathir Mohamad, Najib said Abdullah had "learned to

let go" of his days as prime minister. "I am grateful to Tun (Abdullah) for his support, for initiating this programme, and in retirement, has learned how to let go and become supportive of his successor.

"Thank you very much," said Najib at the Graduation Ceremony of GLC (government-linked companies) Transformation Programme.

Dr Mahathir had been critical of the administration, particularly on Malaysia Development Bhd and, to a certain extent, Najib's personal life.