

PM: GLCs, GLICs MUST FUEL NATION'S GROWTH

NST- 31/10/2019
pg - 2

He also reminds them not to crowd out the private sector

NURADZIMMAH DAIM
KUALA LUMPUR
news@nst.com.my

GOVERNMENT-LINKED companies (GLCs) and government-linked investment companies (GLICs) must focus on creating strong institutions as well as establishing infrastructure and supportive policies to fuel the nation's growth, said Prime Minister Tun Dr Mahathir Mohamad.

He said in doing so, they would become catalysts that would spur the private sector as well as create a positive environment that would aid the country's socioeconomic development.

This, he said, was crucial as businesses and commerce were changing at breakneck speed in the new global environment.

"In this new world order, given the rapid pace of technological advancement and increasing globalisation, if we remain stagnant, we will not be able to compete in the global economy," he said in his special address at the Permodalan Nasional Bhd (PNB) Corporate Summit 2019 here on yesterday.

He said the increasing emphasis on the Fourth Industrial Revolution, or Industry 4.0, and digitalisation meant businesses must be flexible, as well as able to adapt to and embrace change.

He recalled the era of Malaysia's peak economic growth period in the 1990s before the 1998 financial crisis, when the private sector was the core engine of the nation's success.

"Over the 10 years before 1998, the gross domestic product

growth was on a strong trajectory, averaging nine per cent."

He highlighted the imbalance in public and private sector participation in Corporate Malaysia, which, if left unchecked, could affect the nation's future.

"We cannot cling to the current status quo. What will be an instrumental driver for the nation's growth will be Corporate Malaysia implementing its role as a market changer.

"The private sector is integral to adapt to this evolving landscape and be well-positioned to confront challenges."

Dr Mahathir said to build a solid and inclusive future for Malaysia, GLCs and GLICs must re-evaluate their level of participation in Corporate Malaysia and recognise their synergies with the private sector, particularly towards empowering entrepreneurs.

"The expansion of the private sector is vital to spur growth by creating more jobs, enabling entrepreneurs

to scale up their businesses and to bring in foreign direct investment to accelerate domestic growth."

This, he said, would contribute to overall growth accompanied by rising incomes and an improved quality of life, including for the low-income group.

He reminded GLCs against "crowding out" and directly competing with the private sector, especially in non-strategic businesses.

"GLCs must be able to co-exist in a space where they should compete on a level playing field.

"GLCs and the private sector can be the engine of growth, provided they are highly productive and competitive.

"GLCs should, therefore, be professionally run and not stifle private sector competition. A competitive landscape will ensure healthy competition and efficient outcomes."

He called on the corporate sector to look to the Shared Pros-



perity Vision 2030 (SPV2030) as an ideal to be upheld in all aspects.

"This (SPV2030)) is not mere rhetoric or hollow promises as it reflects the government's commitment to ensure that Malaysians are provided with opportunities to prosper.

"I believe we have a real opportunity to reboot Corporate Malaysia. We must have the will to see this through and cannot let this opportunity pass us by."

On the public sector, he said the new government had been working overtime to re-energise and "clean up the mess left behind".

"We have instituted crucial reforms to boost stability, strengthen fiscal management and enhance corporate governance and transparency.

"Nonetheless, the government continues to be weighed down by the debt that we were saddled with by the previous administration.