

**KUALA LUMPUR:** The call has become louder for government-linked companies (GLCs) to not crowd out the private sector, and to reassess their priorities.

The Prime Minister said GLCs and government-linked investment companies (GLICs) must re-evaluate their level of participation in corporate Malaysia.

Speaking at the Permodalan Nasional Bhd (PNB) Corporate Summit 2019, Tun Dr Mahathir Mohamad said this was necessary in order to build a solid and inclusive future for the country.

While these companies were initially set up with specific mandates, he said GLCs and GLICs had now become “very involved” in almost every sector of the economy.

“While this has created corporate juggernauts, it needs to be recognised that it is not their role to smother the opportunities of others.

“They should not crowd out and directly compete with the private sector, especially in non-strategic businesses,” he said in his opening address.

Dr Mahathir said there were some exceptions to this, such as in the manufacturing sector, whereby its steady growth had been underpinned by strong private investment.

He said multinational corporations from more than 40 countries have invested in over 5,000 Malaysian companies in the manufacturing and related services sectors.

“This is a clear indicator of the positive impact of allowing the private sector to take the lead.

“This is not to say the GLCs and GLICs should not play a role, but they – especially the GLICs – all have distinctive purposes,” he said.

PNB, he noted, had been set up with a clear mandate on affirmative action to increase bumiputra participation and ownership in the corporate sector – and had done an excellent job.

Others include LTAT – to generate returns for the pensions of members of the Armed Forces – and Retirement Fund Inc (KWAP),

# PM: GLCs must not stifle private sector

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**Corporate summit:** Dr Mahathir and Zeti at the conference. With them are Economic Affairs Minister Datuk Seri Mohamed Azmin Ali (third from right) and Entrepreneur Development Minister Datuk Seri Mohd Redzuan Yusof (second from left).