

Affirmative action should focus on needs, not just race, says PM

KUALA LUMPUR: Prime Minister Datuk Seri Anwar Ibrahim said affirmative action policies should go beyond race-based schemes to those that are needs-based.

Speaking in an exclusive interview on *The CNBC Conversation* on Friday, Anwar said if policies were too focused on race, it would create animosity and anxiety among the people.

"It is not an issue of dismantling (Bumiputera privileges), it is focusing on areas that are important to them. We cannot talk about pure meritocracy between the rural heartland in Sarawak and the premier schools in Kuala Lumpur.

"I think the same argument applies (to affirmative action poli-

cies). If you focus on the issues of need, justice and fairness, then we can proceed with affirmative action policies," he said in response to anchor Martin Soong's questions on Malay privileges.

Citing the New Economic Policy as an example, Anwar said the main criticism against the policy was that it had enriched elite families.

"I have to put an end to these excesses," he said.

He said if the policies were to create entrepreneurs and provide good education for the poor, then they were not only tolerable but also imperative.

Anwar also touched on the investment opportunities granted to Tesla.

He said the benefits of being

part of Tesla's supply chain outweighed the disadvantages of forgoing the 30 per cent local equity requirement to the electric car maker.

He said Malaysia had the capability to produce batteries used by Tesla.

"Well, this is too premature for me to commit (to be part of Tesla's supply chain in Malaysia) because they are doing it.

"But what is important is we do have the capacity to produce parts of the battery that is required in the car."

Anwar last month announced that Tesla had chosen Malaysia as its regional headquarters.

Tesla would not be required to meet the rule that foreign ventures grant 30 per cent equity to

a Bumiputera partner.

The importation of Tesla cars manufactured at its Shanghai facility would not be subject to Approved Permits.

Anwar said the investment opportunities granted to billionaire tech entrepreneur Elon Musk-owned enterprises Space X and Tesla did not imply that local companies were being denied opportunities.

"This is not new. There have been exceptions given for digital transformation, for information technology-related activities or investments.

"We have done that in the past, (but) very selectively.

"So, the issue is not just Elon Musk, which I think is much required in the country to give this

confidence. In SpaceX, there are three Malaysian companies involved," he said.

He said Malaysia and Indonesia would complement one another and benefit from Tesla's investment.

He said Indonesia was an important neighbour that shared a lot of traits with Malaysia.

"We are working very well together, both in the government and private sectors, and I think instead of being in fierce competition, we should be able to complement each other.

"That has been the spirit behind my conversations with President Jokowi (Joko Widodo) and followed through by the industry," he said. **Report by Aliza Shah**