

# 'Those in the red to close'

## Govt implementing strict monitoring of GLICs and GLCs

**KUALA LUMPUR:** The culture of establishing and maintaining unprofitable companies must stop immediately, says Prime Minister Datuk Seri Anwar Ibrahim.

Anwar, who is also the Finance Minister, said the government is implementing strict monitoring of government-linked investment companies (GLICs) and government-linked companies (GLCs).

He noted that so far, only a small number of GLICs and GLCs have been closed.

"However, in the spirit of transparency and good governance, many of those closed were under government agencies, such as small companies under the Rubber Industry Smallholders Development Authority or the Federal Land Development Authority, which did not meet the original requirements and objectives.

"If these companies are unprofitable, we will close them," he said during the question-and-answer session in Dewan Negara yesterday.

Anwar stressed that there is no benefit to establishing a company, having a board of directors, and providing allowances if the company continues to incur losses, Bernama reported.

He added that the monitoring

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Datuk Seri Anwar Ibrahim

of GLICs and GLCs is very strict now.

"I can guarantee that in 2023, there was comprehensive and stricter monitoring, and the management of these companies will be held accountable if weaknesses need to be addressed.

"So, for GLICs and GLCs, I assure you that it will be tougher, and this is now being applied to all government agencies, where some practices cannot be reasonably defended," he said.

Regarding procurement by GLICs and GLCs, he said that from 2020 to 2024, these companies spent RM59bil - 32% of their total expenditure - on bumiputra companies, including job opportunities, training and education through bumiputra GLC vendor development programmes.

He reiterated that GLCs and GLICs are also dedicated to supporting employee welfare and community well-being, assisting vulnerable groups and families affected by disasters, and supporting the revitalisation of Kuala Lumpur.

Anwar also urged GLICs to make domestic direct investments of about RM120bil over five years to stimulate the country's economic growth.

He explained that the government's emphasis and key performance indicators are not solely profit-driven but are based on an approach referred to as "GEAR-up".

"GEAR-up involves six GLICs and their collective strength in investing around RM120bil over five years (RM25bil for this year), will generate economic growth in addition to the approved budget," he said.

Anwar noted that the latest development budget is the highest compared to previous years.

He said that in addition to the RM440bil in public market investments under existing investment programmes, these investments are focused on high-growth, high-value sectors, such as energy transition and state-of-the-art manufacturing, particularly in semiconductors.

These investments cover all stages of a company's lifecycle - from startups and venture capital to mid-tier companies - and supporting the listing of these companies.

Anwar also said the performance of GLICs like Khazanah, Retirement Fund Inc and Employees Provident Fund for 2024 has been strong and encouraging, driven by the performance of the GLCs and the country's broader investment landscape.

"This performance reflects the success of the Madani Economy, which drives strong economic growth through economic reforms that inspire investor confidence, contributing to the performance of the capital market in 2024," he said.

Anwar urged GLICs and GLCs to become an exemplary benchmark for efficient and trustworthy management to prevent wastage.

"Wasteful practices must be stopped because we hold the trust and public funds.

"I am pleased to announce that GLICs and GLCs are strictly adhering to directives, which is why their performance has significantly improved, with reduced management costs and leakage prevention leading to better profits," he said.