

Najib: Affirmative Action Will Remain For Bumis But More Market Friendly Now
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KUALA LUMPUR, Sept 14 (Bernama) -- Prime Minister Datuk Seri Najib Tun Razak said affirmative actions to help Bumiputeras, which were introduced under the banner of New Economic Policy (NEP), would remain but have shifted to become more market friendly and merit based.

Najib, who is also the Finance Minister said the current government strategy of creating more opportunities for the Bumiputeras rather than imposing quotas on others, have also attracted the non-Bumiputeras.

"What we found out is that this way (affirmative action under NEP), firstly, has not been very popular with the market. And secondly, is not really helping the Bumiputeras.

"What we are trying to do now is to shift that - affirmative action remains - but it should be more market friendly and it should be more on the basis of merit," said the Prime Minister at the 11th Forbes Global CEO Conference here Tuesday.

"In other words, we create opportunities for them to grow rather than imposing quotas on others. So that's a general philosophy, we are moving towards and it's becoming better and has better attraction to the non-Bumiputeras," he said.

Najib was sharing his insights on the country's performance and challenges since taking the helm in 2009.

The 45-minute dialogue was chaired by Forbes Chairman and Editor-in-Chief of Forbes Asia, Steve Forbes.

On whether it was time for Asean to look into a new currency, Najib said Asean countries were still open to the idea over the longer term, but the approach must be in a steady manner to avoid disruption in the currency and financial market.

"I do accept the fact that in the short and medium term, the US dollar will continue to be the major international currency and Euro will also be an important international currency. I don't see that picture changing in the short and medium term.

"But in the long term, it (the idea of new currency for Asean) is still open. But let us approach it in a steady manner so that we do not disrupt the currency and financial market," Najib said.

He pointed out that Malaysia was one of the first countries to use local currency to conduct business and trade with China.

On the introduction of the goods and services tax (GST), Najib said the government has instructed the Inland Revenue Board to set up the system to enable its implementation.

He said it was important to be prepared as there would be glitches and further

reassessment when it comes to the time of implementation.

"The question is the timing of it. I guess when the time is right, in the near future... probably after the next general election, we will introduce the GST," said Najib.

At the same time, he said there has been a growing acceptance among the people on the implementation of the GST.

Of the 12 million people, only 1.2 million people are paying taxes, said the Prime Minister.

"Our plan is to reduce our fiscal deficit from 5.6 per cent to 5.4 per cent this year and down to about three per cent in the next few years. So once we reduce our fiscal deficit, then there will be greater confidence in the economy and we should be able to see stronger fundamentals in Malaysia," Najib said.

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