

Najib says investors have confidence in Malaysia
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By Shannon Teoh

KUALA LUMPUR, Sept 13 — Datuk Seri Najib Razak said today that his administration has succeeded in ensuring the continued confidence of both local and foreign investors in the country's economy.

The prime minister's remarks today come a mere day after Putrajaya moved to block telecommunications companies from passing on a six per cent service tax to prepaid users following intense pressure from NGOs and politicians from both sides of the divide.

"We have studied globalisation successfully and developed the country in a way where the world and the global markets have confidence in us," he said at Felda's Hari Raya celebration this evening.

He said that the government has "succeeded in implementing policies that give confidence not just to the local but foreign community" and cited his meeting with 450 chief executives from around the world who had gathered at the Forbes CEO conference here tonight as evidence.

His deputy Tan Sri Muhyiddin Yassin had said earlier today that the government's move to intervene in the prepaid phone service tax issue should not be linked to other taxes or possible future interventions.

Information, Communications and Culture Minister Datuk Seri Dr Rais Yatim also said yesterday that the companies' decision to put off passing on the service tax was pending consultation with the Malaysian Communications and Multimedia Commission (MCMC).

Within 24 hours of the joint announcement by telcos on Thursday, Najib had urged them to rethink their move, calling the levy "difficult to accept" given the rising cost of living.

Najib said the tax on all mobile prepaid starter packs and reloads had come at a time when the government was doing its best to reduce the burden on the people after months of surging inflation.

The six per cent tax was announced last week in a joint statement by the telecommunication players, who insisted that it was not new but had been absorbed by them since first being introduced by the government in 1998 and then raised by one per cent last year.

The prime minister said today that Malaysia's economy was still viewed positively as proven by figures such as foreign direct investment that rose 76 per cent to RM21.3 billion in the first half of 2011 from the same period a year ago.

He also cited the Geneva-based World Economic Forum's Global Competitiveness Report which last week ranked Malaysia as the 21st most competitive market in the world, up five places from last year.

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