

**Passing assets to Bumi elites a return to Dr M's failed policies, MPs say**  
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**By Shannon Teoh**

KUALA LUMPUR, Feb 10 — Lawmakers across the political divide are wary of Putrajaya's move to transfer 10 non-core businesses from Khazanah Nasional Bhd and Permodalan Nasional Bhd to Bumiputera companies.

They say it mirrors the failed Mahathir-era plan to groom Bumiputera entrepreneurs in the 1990s.

Umno supreme council member Datuk Bung Mokhtar Radin gave the example of Khazanah's MAS-AirAsia share swap as a deal that resulted in the public suffering. — file pic  
While Barisan Nasional (BN) MPs support efforts to grow Bumiputera equity, which stood at 22 per cent in February last year, short of the 30 per cent target set by the government, they told The Malaysian Insider it has so far benefited only a handful of "crony elites."

Umno supreme council member Datuk Bung Mokhtar Radin said "the government must be transparent as to which Bumiputera company is being selected to ensure the national interest is served."

"If we keep feeding the same Ali Babas which we've already helped, then this doesn't help anything," the Kinabatangan MP said, referring to Khazanah's recent divestment of its 32 and 42.7 per cent stake in Pos Malaysia and Proton respectively to DRB-Hicom, controlled by Tan Sri Syed Mokhtar al-Bukhary.

The state investment arm had announced last month the sale of its shares in the national carmaker for RM1.3 billion, which followed from the RM623 million divestment in Pos Malaysia to Malaysia's richest Bumiputera entrepreneur.

Bung Mokhtar also added that Khazanah handing over 20.5 per cent of Malaysia Airlines (MAS) in exchange for a 10 per cent stake in AirAsia was another deal that resulted in the public suffering.

His Umno colleague Datuk Nur Jazlan Mohamed also said "this is nothing new and has been done for the past 40 years under the New Economic Policy (NEP)."

"If you compare with Mahathir's time, instead of Mr Halim and Mr Tajuddin, read Mr Syed Mokhtar," said Pulai MP Datuk Nur Jazlan Mohamed, referring to the two poster boys of Tun Dr Mahathir Mohamad's now discredited policy of nurturing a class of Malay corporate captains on government largesse.

Tan Sri Tajuddin Tamli, Tan Sri Halim Saad and others flew high in the 1990s but their true mettle was tested during the Asian financial crisis. Nearly all of them fared poorly.

Tajuddin helmed MAS from 1994-2001, after which it was renationalised as it struggled under a mountain of debt.

Halim's Renong was also the subject of a reported RM10 billion bailout by the government which was completed after Tun Abdullah Badawi became prime minister in 2003.

PAS vice president Datuk Mahfuz Omar said that "the government seems to have a habit of handing over profitable businesses to its cronies who are incompetent." — file pic  
Prime Minister Datuk Seri Najib Razak said yesterday the divested entities will be awarded to Bumiputera companies that have good potential to grow after an open evaluation process.

Last year, Khazanah made a total of eight divestments which brought in proceeds of RM7.7 billion and helped to push the company's profit before tax for the full year to RM5.3 billion from RM3 billion in 2010.

This included the complete privatisation of PLUS Bhd through a joint acquisition by UEM Group Bhd and the Employees' Provident Fund (EPF).

But DAP strategist Liew Chin Tong told The Malaysian Insider today that "the government cannot say functions like postal services are 'non-core' when everyone depends on them."

"A private company will try to make profit whereas the government can help keep the cost of this basic amenity low. Even if Khazanah makes a profit from Pos Malaysia, it goes back into the taxpayers' coffers.

"None of this helps the bottom 40 per cent of society, nearly three-quarters of whom are Bumiputera," the Bukit Bendera MP said, referring to households earning RM1,500 per month or less.

PAS vice president Datuk Mahfuz Omar also said that "the government seems to have a habit of handing over profitable businesses to its cronies who are incompetent, and then being forced to nationalise the losses when these cronies fail."

"And then they say that is in the national service because it is a key function. Look at how we've bailed out Renong and MAS," the Pokok Sena MP said.

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