

Pakatan protests, Malay-Chinese rift bad for business, says Mustapa
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KUALA LUMPUR, May 28 — Putrajaya today sought help from the business community to settle the Malay-Chinese racial divide that emerged post-Election 2013 and accept the polls results and move on, claiming the ongoing opposition-led protests would hamper the country's investment climate.

In a dialogue session between the International Trade and Industry Ministry and 11 national associations and commerce chambers this morning, minister Datuk Seri Mustapa Mohamed (picture) repeatedly stressed the need to "move on", saying despite widespread allegations of polls fraud, it is Barisan Nasional (BN) that still holds federal power.

"It is most unfortunate what has happened over the past few weeks, with Anwar challenging institutions like the police and so on. I know this has affected the investment climate. It is not good for the business of the country," he said, referring to Pakatan Rakyat (PR) de facto leader Datuk Seri Anwar Ibrahim in his opening remarks before the dialogue session.

"From the government's point of view, the election is over. The Election Commission (EC) may have its weaknesses but this does not negate the election results.

"The final decision is that BN returned to power," he pointed out.

Repeatedly, the minister urged the associations present to play their roles in urging the business community to accept the final polls verdict and encouraging them to refocus their energies on reviving the nation's economy with an eye on income growth and employment.

"The bottom line — investments, trade, income and employment. We need to survive, we have mouths to feed, families to sustain.

"The country has to move on, life has got to go on," he said.

But Mustapa, or "Tok Pa" as he is often referred to, also noted concerns over the fragmented Malaysia that emerged from Election 2013, pointing to the post-polls discourse that has been tainted by racial tensions and talk of alleged betrayal by the Chinese community.

He said this must be dealt with immediately to help Malaysians work as a team again before the country is further torn apart by racial polarisation.

The 1 Malaysia platform mooted by Prime Minister Datuk Seri Najib Razak is still relevant, Mustapa added, despite acknowledging that critics against the government had pegged it as "thrown out the window" after the divisive general election.

"We know there is a lot of tension. The Malays and the Chinese in particular... we must manage this the best we can.

"To me, 1 Malaysia is still relevant. I understand that when things are still hot, people are highly emotional... but we need to find a way to create that trust and understanding again among the races," he said, adding that he will hold separate discussions soon with the

Malay and Chinese trade associations and commerce chambers to gather feedback.

Those present at today's session included the National Chamber of Commerce and Industry of Malaysia (NCCIM), Federation of Malaysian Manufacturers (FMM), Dewan Perniagaan Melayu Malaysia (DPMM), the Associated Chinese Chambers of Commerce and Industry of Malaysia (ACCCIM), Malaysia Associated Indian Chambers of Commerce and Industry (MAICCI), Persatuan Industri Kecil dan Sederhana Malaysia (SMI), Persekutuan Pertubuhan Wanita Dalam Perniagaan Malaysia (FEM), Malaysian Employers Federation (MEF), Persatuan Pengilang & Industri Perkhidmatan Bumiputera Malaysia (PPIPBM), Persatuan Pedagang dan Pengusaha Melayu Malaysia (PERDASAMA) and Dewan Perdagangan Islam Malaysia (DPIM).

Emerging from the session later, Mustapa told a press conference that the groups present had offered their commitment to engage with their members in the business community and help the government move forward with its transformation agenda.

"They said they will help the government that the people chose... to me, this is important to ensure that the business environment continues to be conducive to boost investment and trade in this country," he said.

Asked if he felt the continuing protests by the opposition would unnerve investors, Mustapa said he believed that the sentiment would eventually temper down over time.

"We believe that Malaysians will go back to basics and there would be economic growth, certainty, stability, employment opportunities — these are the very important thrusts," he said.

Last week, the Malaysian Investment Development Authority (MIDA) announced a 44 per cent year-on-year jump in investments to RM49.3 billion in the first quarter of 2013, with domestic investments leaping by 25.5 per cent and foreign investments by a staggering 90.6 per cent.

The authority's reported figures showed that the largest bulk of approved investments came from the services sector at RM22.5 billion or 45.2 per cent, followed by the primary sector at RM15.3 billion or 31 per cent and manufacturing at RM11.7 billion or 23.8 per cent.

Mustapa took note of the jump and said it was important to keep the momentum going, citing moves by his ministry to initiative better incentives to boost investments.

He also noted concerns over the drop in exports here, but said this was contingent on uncertainties in the global economic front.

Earlier this month, Malaysia reported a gross domestic product (GDP) growth of 4.1 per cent in the first quarter compared with the same period a year ago. It was the slowest pace of growth since the third quarter of 2009, and lower than the 5.5 per cent rate expected by economists.

Meanwhile, exports dropped by 0.9 per cent in the 12-month period leading to March this year, with exports of machinery and transport equipment dropping by 2.1 per cent in the same period.

The share of machineries and transport equipment in total exports has dropped significantly from a peak of 63 per cent early this decade to 38 per cent in March.

A fragmented Malaysia emerged in the wake of BN's slim victory in Election 2013, after which Datuk Seri Najib Razak identified the biggest challenge he faces — national reconciliation in a country divided.

The prime minister had blamed a "Chinese tsunami" for BN's electoral losses, taking note in the significantly reduced number of Chinese-majority seats that went to the ruling pact.

But an analysis of how the vote went showed a country with rural-urban and class divisions, which will likely make any reconciliation and necessary reforms even more difficult to implement.

The need to continue dismantling the pro-Bumiputera policies and to introduce the controversial bitter pill of a Goods and Services Tax (GST) — steps necessary to make Malaysia more competitive and lift it out of a middle-income trap — appears to be even more daunting because of the conflicting tug-of-war between the two Malaysias that have emerged.

Adding to this, Najib and his wounded BN are also faced with a public seemingly addicted to easy money and handouts, and in winning GE13, the prime minister may have committed his government to a continuation of such policies.

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