

## **Missing persons from that economic committee**

**KINIBIZ ONLINE**

**August 27, 2015**

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**On Tuesday, the prime minister announced that a special economic committee would be set up to monitor the country's economy. He was quoted by media reports saying that "the objective of the committee is to ensure growth and momentum will continue and generate prosperity in this challenging times". Tiger thinks the absence of a few key persons from this committee may end up being a spanner in the economy's works.**

This morning, the prime minister's brother Nazir Razak, who is also the chairman of CIMB Group, said on Instagram that he had expected a new committee, but not with himself in it.

Tiger applauds his candid honesty and the fact that he has (unwittingly?) agreed to be part of the committee, but she is more concerned about the "missing persons" from the committee than those who have actually been appointed to the committee.

The committee is chaired by Abdul Wahid Omar, who is a minister in the Prime Minister's Department overseeing the economy; while the rest of the committee is made up of Khazanah Nasional Bhd deputy chairman Nor Mohamed Yakcop; Khazanah managing director Azman Mokhtar; chief adviser to the China Banking Regulatory Commission Andrew Sheng; Federation of Malaysian Manufacturers Saw Choo Boon; Symphony Life Bhd executive chairman Mohamed Azman Yahya; RAM Holdings Bhd group chief executive officer; Universiti Kebangsaan Malaysia vice-chancellor Noor Azlan; and Maybank Bhd managing director Abdul Farid Alias.

If you haven't noticed, a number of important individuals are missing from this list, namely Bank Negara Malaysia governor Zeti Akhtar Aziz; International Trade and Industry Minister Mustapa Mohamed; Finance Ministry secretary-general of treasury Mohd Irwan Serigar Abdullah; Works Minister Fadillah Yusof; and other key decision makers.

The fact that the above individuals are missing from the committee indicates that the committee will not be able to make quick economic decisions that are needed.

In times of crisis, and if this indeed is a crisis committee like the way the National Economic Action Council (NEAC) was during the Asian financial crisis, it is imperative that its members be able to make swift decisions.

The stark absence of key decision makers on the committee indicates a poorly thought-out approach to solving economic problems. Truth be told, it seems like a wishy-washy attempt at addressing serious economic issues.

A bit of history applies here – the NEAC was formed in January 1998 by the government in response to the Asian financial crisis.

Its membership included cabinet ministers with economic responsibilities and private sector representatives. Its staff was tasked with monitoring the global economy and then providing advice on foreign direct investment, banking and finance, development of key economic sectors, and social issues as a result of economic factors.

To sum it up, as Mustapa, in a 2002 paper on the NEAC that he co-authored, said at the time the most pressing challenge affecting the Malaysian economy was the rapidly changing global environment. Hence, the chief focus of the NEAC was to reposition the Malaysian economy to take advantage of the new environment so the Malaysian economy remained competitive.

And it worked, because Malaysia did survive the Asian financial crisis without needing help from the International Monetary Fund, which is the route some of the other Asian countries took, some to their detriment.

Contrast this to the new special economic committee and it's anyone guess what its focus really is since the majority of its members are not economic decision makers.

What's more, the most important "missing person" here is no other than the Prime Minister Najib Abdul Razak himself (mind you, he is also the finance minister), who has said that the committee will report directly to him, but strangely is not the chairman of the committee.

If he was indeed serious about the committee, he would be heading it, the way he is heading the country. That would be the right thing to do if he planned to take a hands-on approach towards helping the economy recover.

It does not bode well for a captain's reputation to hand the ship over to his first mate during a crisis and hence the finance minister should not either.

Tiger also thinks that the glaring omissions of Zeti and Mohd Irwan Serigar are very telling: It seems to indicate that the prime minister did not think things through when selecting the committee members.

How on earth can a committee solve economic problems when it does not even involve the country's central bank governor and Finance Ministry representative?

It looks like the committee is a consultative one – it meets, discusses, examines, and then makes its recommendations and presumably various arms of the government will implement. That means the committee will have no teeth.

This is reflected as well in the absence of other officials from key government departments, those who are responsible for implementation of policy. These are the people who will carry through the recommendations. Without them, and direct instructions from the prime minister, we will just be producing more policy papers, that's all.

Here's further proof that the prime minister has not properly planned this committee: note that the prime minister has said that the committee will meet on a weekly basis and that the first meeting is next week. Does that sound reasonable to you?

Well. Tiger doesn't think weekly meetings are good enough.

Recall that during the Asian financial crisis in 1998, then-prime minister Dr Mahathir Mohamad reportedly used to have daily meetings with the Bank Negara governor and members of the NEAC, which he chaired himself at the time.

Of course, today, Mahathir is the most vocal critics of our current prime minister, and Tiger thinks the glaring omissions made from this committee will only give Mahathir more ammunition to fuel his criticisms.

With the ringgit well past 4.20 levels against the US dollar currently and capital outflows weighing on foreign reserves, is our economic situation not serious enough to warrant a more hands-on approach by the prime minister?

Surely chairing the committee himself and meeting committee members on a daily basis would give the public more confidence that our economic woes will be resolved.

But Tiger believes it is never too late and if he wants to, the prime minister can still appoint Zeti and Mohd Irwan Serigar to the committee to redeem himself, so to speak. In the meantime, she will be watching and waiting to see what this committee actually achieves.

In fact, Tiger would have been happy if the current economic council was expanded and/or improved, instead of creating a new committee altogether. She hopes that with highly-respected members like Nazir on board, the committee will be able to effect some real economic change.

Malaysian citizens are a more discerning lot now following the highly-publicised 1Malaysia Development Bhd saga and the prime minister should keep in mind that all eyes will be on him and this special economic committee and whether they actually manage to solve economic problems.

They won't be able to if they can't take any action.

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