

PERASMIAN MESYUARAT AGUNG GABUNGAN DEWAN-DEWAN PERNIAGAAN DAN PERINDUSTRIAN CHINA MALAYSIA (ACCCIM)

HOTEL HILTON, KUALA LUMPUR, 2 SEPTEMBER 1984

Yang Berbahagia Tan Sri Datuk Wee Boon Ping, Presiden Gabungan Dewan-Dewan Perniagaan dan Perindustrian China Malaysia (ACCCIM); Dif-Dif Kehormat; Tuan-tuan dan Puan-puan sekalian.

Saya mengucapkan terima kasih kepada Ahli-Ahli Jawatankuasa ACCCIM kerana menjemput saya merasmikan Mesyuarat Agung Gabungan Dewan-Dewan Perniagaan dan Perindustrian China Malaysia pagi ini.

2. Peranan yang dimainkan oleh ACCCIM dalam perkembangan ekonomi Malaysia tidak dapat dinafi oleh sesiapa. Dan peranan ini akan diteruskan dan akan mempunyai kesan dalam menentukan sama ada dasar-dasar mengenai ekonomi yang dibentuk oleh Kerajaan akan berjaya atau tidak. Oleh itu adalah penting Kerajaan memahami ACCCIM dan ACCCIM memahami Kerajaan dan peranannya dalam ekonomi.

Ladies and Gentlemen,

3. Let me say at the outset that the Government is fully aware that its principal role is to maintain law and order so that every citizen can go about his business without fear or obstruction. The Government would dearly love to stay with that function only. But it is the people who keep on urging the Government to get involved in other activities.

4. Even the business people, who believe completely in free enterprise are not averse to requesting the Government to intervene in order to save their business. We are forever being asked to raise or lower tariffs, to protect local industries, to regulate business practices, to formulate laws and rules to keep frauds at bay and a host of other things. And as a responsible Government we have to accept the increasing role we are asked to play. Nationalisation and socialism emerged because businessmen failed to be fair and to exercise their rights with responsibility.

5. If the Government goes into the private sector area, it is not because it wants to, but because failure to do so may lead to consequences which are bad for everyone including the businessmen. Riots and civil strife do not contribute to business. They destroy business. And so, if there is inequity because of the failure of businessmen to exercise responsibility, the Government has to move in in

order to forestall disturbances that can destabilise the economy. However, there is a cost to this. The government enterprises may not be efficient. But that cost is not as great as the cost of civil strifes that can occur.

6. Similarly when Government draws up certain principles and targets, the Government is really thinking of the common good, not the good of a particular group or race.

7. Let us take the New Economic Policy for example. The twin targets of restructuring and poverty eradication are actually set in order that there will be political and economic stability in the country. I know that everyone agrees with this target but while you criticise the implementation of the NEP, the Government criticises the passivity of your acceptance. There is substance perhaps in your criticism but there is also a great deal of substance in the criticisms of you by the Government.

8. There is a feeling among some people that Malaysian policies are designed to restrict economic growth and are therefore stupid. We will admit freely that restricted economic growth is one of the by-products or fall-out from the NEP but comparison should not be made with the hypothetical growth if the policy is not in the way, but rather the effect of the policy on political stability. Ask any investor what he thinks of investing in a politically unstable country, and he will say no way he is going to take that risk. Yet when we devise policies to ensure political stability, he conveniently forgets how important political stability is to business and by extension economic growth. The fact is that everything has a cost and political stability is no exception. The price we have to pay is a slightly restricted growth. But that restricted growth is far better than the kind of chaos we see today in countries where there is no political stability. Business cannot survive, much less prosper in a climate of chaos due to political instability. We have to accept some restrictions in economic growth because the alternative is not greater growth but more likely no growth at all.

Ladies and Gentlemen,

9. I am glad that of late the ACCCIM, under the leadership of Tan Sri Dato Wee Boon Ping, has become more sensitive to national policies and has shown a greater desire to act in conformity with these policies. The ACCCIM is in more frequent contact with the Government, which has enabled a greater degree of productive interaction that is beneficial to both sides. There was a time when the ACCCIM felt itself more Chinese than commercial. That was alright, when the

Chambers were regarded by the colonial power as tame representatives of the various migrant communities. It was still right in the early years after independence. But the Chinese is not an immigrant community now. They are Malaysians of Chinese origin. And as such they have their own political representation. The ACCCIM should, therefore, focus on commerce and industry as Malaysians of Chinese origin. If the ACCCIM becomes involved in non-commercial activities, then its commercial activities and those of its members may suffer. On the other hand, there is nothing to prevent the members from being involved in non-commercial activities in their private capacity or as members of other organisations.

10. There is no doubt that at present the prestige of the ACCCIM is considerable. Its leaders may be called upon to help overcome various problems. They should respond to this call but they should not drag the Chamber in. Above all the Chamber should not be used as an instrument for other objectives.

Ladies and Gentlemen,

11. I have in the past urged the ACCCIM to cooperate with other chambers, in particular the Malay Chamber of Commerce and Industry. I am glad that the ACCCIM has taken this advice seriously, although so far nothing concrete has really emerged. There is still a great deal of suspicion between the two organisations. Both should show their sincerity and not regard cooperation as a lever to obtain concessions or other facilities from the Government. Sino-Malay cooperation in business is essential for achieving the targets of the NEP. The Government cannot forever be buying companies in order to acquire the necessary shares for bumiputeras. Besides, if the Government does that, you will find yourself in competition with Government-owned companies and that is not healthy for you. It is far better that the acquisition or the setting up of new companies be joint ventures between bumiputeras and non-bumiputeras so that Government involvement can be minimised.

12. Cooperation between bumiputeras and non-bumiputeras in commerce and industry must be genuine. The bumiputeras should not expect free shares or sinecure jobs as a result of such joint-ventures. They should participate actively and try to upgrade their skills through learning from their partners. On the other hand, the non-bumiputera partners must not tempt their bumiputera partners into lending their names for a fee. I have found some people offering one or two million dollars to obviously unsuitable people as partners. A lot of people go to my constituency to seek out people who may be close to me to offer partnerships in return for influence. I can

assure you that this is the surest way of not getting what you want.

13. The Government will give consideration only to those partnerships where the bumiputera partner is judged as capable of playing his role actively. We will do this even if we are accused of helping those who are already capable of helping themselves. Those who do not have the capability should spend time to upgrade their capability either through academic channels, like taking management courses, or through involvement directly at an appropriate level in order to gain experience. The Government is not going to preside over the distribution of money to anyone who thinks he should have his turn irrespective of his capability or sincerity. So, if the members of your Chamber are interested in helping at the NEP target, please avoid the people who claim that they know so-and-so who can give the necessary approval.

14. The Government has embarked on a program of privatisation. As usual this has attracted a lot of criticism. The same people who before accused the Government of bungling and wasting public money by venturing into the private sector are now condemning Government's move to get out of it.

15. Nevertheless, we would like to see a positive reaction from you. We have no illusion about profit being your main objective although some people will say that you should not look only at profit. Those same people look only at their salaries when they seek a job. We think you should make a profit when you take over Government agencies. But it is important that your quest for profit from privatisation should not be at the expense of the employees.

16. We have drawn up certain guidelines on privatisation which will be made available to the private sector soon. We hope that members of the Chamber will show a good response. You are in control of, or accessible to large amounts of capital. Privatisation will need capital from the private sector. The Government has identified several areas for privatisation but we are willing to examine any proposal. You can now prove that you can be more efficient than the Government. There is no doubt that the whole nation will benefit from your management skills.

17. Some of the services that will be privatised are very big. No single person or company can take them on alone. Malaysian businessmen must learn to work together while holding minority shares. The idea that a company can only succeed if someone holds controlling shares of 51 per cent must be banished. It is grossly unfair for anyone holding 49

per cent to have no say in a company, especially when the paid-up capital runs into millions. It is only when Malaysians accept that companies can be run effectively while having only minority shareholders that we can build up really big companies. And only these big companies can take over some of the huge Government agencies that we wish to privatise.

18. In this connection I would like to welcome the setting up of UNICO which your President mentioned just now. I believe that UNICO has the potential to be a really big investment company. It should go into joint-ventures with other institutions and communities so as to function in accord with its Malaysian identity. Such a company should look into its role in the context of privatisation of some of the biggest Government services such as the Railways and Telecoms.

19. Lastly, although the ACCCIM is a chamber of commerce, it should still concern itself with our objective of national unity. There is much that you can do, both in the commercial area as well as in other areas. Although it is a Chamber for Malaysian Chinese, it should not confine itself to helping the Chinese alone. The same goes for the other chambers. After all if each chamber is going to give away \$1,000/to its own community, what difference would there be if they give to other communities so long as in the end each community gets \$1,000/-. The money is the same, as are the recipients. But the goodwill that it generates makes such a great difference.

20. I would like to take this opportunity to focus on a certain degree of naivete that is to be found among some the standards of living of the people in developed countries and secondly that we can have these standards for free. 21. Hence we have these people demanding that we have the best of everything, the best roads, the best schools, hospitals, the best pay schemes, pensions and environment; that we preserve our forests, historical buildings, etc. In addition we should lower taxes, pay no tolls, work lesser hours, throw out foreign investors and everything that may raise money for the nation and the Government.

22. The fact is that there is no way you have the goodies and not pay for them. Malaysia is relatively poor and cannot afford what the developed countries have. But even if we want less than that we have to pay for them. The payment may not be direct, but in the end you must pay. If we want to preserve Malaysia in its natural state with tropical forests and animals and cute attap huts then we must be prepared to live without the amenities that we now take for granted. That is the price we have to pay. The most detestable thing is when city-dwellers earning fat salaries shed tears over the way

the countryside has been spoilt and the bucolic life of the peasants disturbed. In the same breath they would lament rural poverty. And after they shed those crocodile tears they would retreat to the air-conditioned comfort of their city houses and offices.

23. Poverty can only be defeated if sufficient people make money legitimately and pay their taxes, so that Government can launch schemes to upgrade the productivity of the poor. Dole does not eradicate poverty. Like drugs, it only reduces people to becoming dependents. The sole solution to poverty is increased productivity by the poor. The Government will not be deflected from this approach.

Tuan-tuan dan puan-puan,

24. Saya juga berharap Gabungan Dewan-Dewan Perniagaan dan Perindustrian China Malaysia akan bersama-sama memberi penerangan kepada ahli-ahlinya mengenai harapan Kerajaan supaya mereka dapat memberi sumbangan yang lebih positif kepada ekonomi negara. Dengan harapan ini, saya dengan sukacitanya membuka Mesyuarat Agung Gabungan Dewan-Dewan Perniagaan dan Perindustrian China Malaysia dengan rasminya.

Terima kasih.