

Close Monitoring of NEM Implementation Critical

The Federation of Malaysian Manufacturers (FMM) is encouraged that the New Economic Model (NEM) had emphasised transparency and meritocracy in policies, programmes and a new approach to affirmative policies including focus on the lower 40% income strata based on need.

Growth must indeed be driven by productivity and innovation, supported by human capital development policies that produce multiskilled, creative and globally competitive workers. In this regard, re-evaluation of the education system should include improving the quality of teachers; attracting the best qualified teachers/lecturers; and emphasizing the use of the English language as a gateway to knowledge.

Recognition of the role of highly skilled and trained professionals is well taken as they are critical to productivity and innovation. Programmes for brain gain, whether local or overseas, are necessary. There is also a need to look into mechanisms to promote R&D activities more effectively.

Notable new approaches are: comprehensive measurements of affirmative action policies; expanding the role of capital markets to support innovation, entrepreneurship and risk-taking; empowering MIDA as the national investment promotion agency; and transparency in evaluating bidders of GLC-related assets.

FMM also supports the transparent and open tender process, which includes on-line publication of tender awards from April 1, 2010. This is a step in the right direction to check rent-seeking behaviour and patronage. Providing more capacity building programmes is more effective than subsidies. The involvement of GLCs in business should be rolled back with continued divestment of non-core areas.

FMM, however, would like to reinforce two very important views, namely:

- a. A strong commitment to fight corruption should be engendered by building up institutional capacity to uphold the rule of law; to promote ethical behaviour and enhance integrity in both public and private sectors. In this respect, the requirement for bidders of government projects to sign declaration letters pledging their commitment to ensure projects awarded are executed responsibly and are 'graft-free' upon submitting their bid and after being awarded the tender is a step in the right direction.
- b. There must be close monitoring at the highest level, modeled after the Tun Abdul Razak administration, to ensure that the NEM is fully achieved.