Need for new approach

Business model for Bumis must be more sustainable: Daim

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MALAYSIA’s former finance minister Tun Daim Zainuddin has called for a new approach to develop Bumiputra entrepreneurs that can compete and rely less on government support.

However, Daim, considered one of the most successful Malay businessmen, stopped short of giving any specific suggestions although he conceded the old or existing way has not been producing results.

He said the New Economic Model, with the objective of achieving high-income status by 2020, has yet to bring about sustainable entrepreneurship, especially among Bumiputeras.

“If you ask me, I think the answer is perhaps no,” Daim said when giving his lecture on “Political Economy of Development — The Malaysian Experience” in Kuala Lumpur yesterday.

The lecture was the sixth under the Tun Abdul Razak Lecture Series organised by Universiti Tun Abdul Razak.

Daim explained that in the past, the government had used instruments such as licensing, price margin preferences, government procurements, approved permits in addition to financial assistance in order to assist Bumiputra entrepreneurs.

“Now that the government finances are not strong, such dependence on the public sector is no longer tenable,” he said.

Daim considered the agenda as an unfinished business and the government must strive towards finding a sustainable entrepreneurship model for the Bumiputeras.

“For us, the Bumiputeras, the only way is to compete. If we were to succeed, compete with the best — the Chinese,” he said.

Daim said Malaysia must learn to compete with the best and stop relying on government aid if the community wants to do well in a liberalised economy.

Bumiputeras should also not fear failure, as it was through failures the community would learn from past mistakes and be more resilient.

He said many Bumiputeras had it easy in the 1980s and 1990s but did not survive the Asian financial crisis as success had come too easily to them and they could not adapt.

“Is it better that you go through the process ... you fail once in a while, it doesn’t matter. If you fall, you stand up and fight. And you use your brain,” Daim said.
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