Call to tread carefully in TPP negotiations

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UNIQUE MALAYSIA:  
The Trans-Pacific Partnership terms must cater to what the country needs, says Datuk Seri Nazir Razak.

MALAYSIA must go into the Trans-Pacific Partnership (TPP) negotiations carefully, and be prepared to walk away if the terms do not cater to the country’s needs, said CIMB Group Holdings Bhd chief executive Datuk Seri Nazir Razak.

He said while TPP’s objective is good, “the devil is in the details”.

He added that since Malaysia is hosting the TPP negotiations, it should not mean that the country is inclined to agree to the terms.

“The present draft (of the TPP) is punitive on state-owned enterprises and here, many companies are that kind,” he said.

“Is very dangerous to go into any negotiations saying you are definitely going to conclude them. We must never do that. We must always be willing to walk away,” he added.

Nazir cited CIMB’s recent experience of walking away from a one-week-old negotiation to buy a stake in the Philippines’ Bank of Commerce.

He was asked on the impact of Bank Negara Malaysia’s stricter financing rules to curb household debt to CIMB’s loan growth, he said he is not too concerned about it.

“Banking is a very big deal,” he said, adding that the risk of banks have other products which can mitigate the possible lower loan growth.

The stability and soundness of the overall banking system in the long term is the most important, Nazir said, adding that CIMB has always been supportive of the regulator’s policies to reduce consumer debt.

Nazir had earlier given a talk on "Transformational Leadership — The Case of CIMB", where he shared the chronicles of the banking group’s growth from a merchant bank to a leading Asean universal banking group today.

"For my people, I often use the saying ‘what got us here won’t get us there’ and that the paradigm of continuous improvement must always be adopted and the leader of the organisation is not exempted from such mentality."

He also said that in business, close relationship with the government is important, but “if you are a professional, you must never get too close”.

He cited the number of times CIMB had to turn down some government-related businesses or attend government functions.

“But my problems came after my own brother became Finance Minister,” he said, while responding to a question from a Malaysia Banking Bhd (Maybank) employee on how he handles professionalism when he is related to Prime Minister Datuk Seri Najib Razak.

“I keep to being professional. Never get too close. That’s why I recommended your boss (former Maybank president and CEO Datuk Seri Wahid Omar) as a minister. Just kidding,” he said to laughter from the audience in the hall.

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Datuk Seri Nazir Razak
CIMB Group chief executive
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