

PM: Services liberalisation will bring in more FDI

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MALAYSIA'S recent move to liberalise 27 services sub-sectors will result in more foreign direct investment (FDI) flow into the country and in the long term will benefit the locals, Prime Minister Datuk Seri Najib Razak said yesterday.

Speaking during a dialogue session at the Malaysia Europe Forum (MEF) and MEF-European Union (EU) roundtable in Kuala Lumpur, the Prime Minister called on Malaysians to be more confident in this era of globalisation and meet the challenges.

"Let the market forces decide and if one foreign company operates here, it will for sure engage Malaysians. We tend to benefit (from this liberalisation)," he said.

He noted that prior to his announcement of the liberalisation of the 27 services sub-sectors, Malaysia was the worst performing in the services sector among Asean member countries.

"Malaysia is even worst than Myanmar and Cambodia. If these countries can open up, why can't we? So there is a strong reason why we should liberalise," he said.



He said these are some of the concerns raised in the past about the level of protectionism extended to certain Malaysian industries, some of which have come from EU and business partners.

"These policies have been perceived as stumbling blocks towards FDI flows to Malaysia, exacerbated by the Foreign Investment Committee regulations pertaining to issues such as Bumiputera equity," he said.

"While taking stock of the economic participation of the Bumiputeras over the past few decades, we note the positive impact of our affirmative action policies, and this

has permitted my government to introduce sweeping liberalisation measures aimed at opening up formerly protected industries, including the financial sector," he said.

Najib also asked Malaysian companies and exporters to work with their EU counterparts to resolve their differences and identify gaps so that improvements can be made.

On the MEF, he said the government will give its full support to the non-profit organisation to strengthen ties between Malaysia and the EU.

"The MEF can play a vital role in the relationship-building process. The initiative taken by the MEF is exemplary and timely and will go a long way towards enhancing EU-Malaysia ties," he said.

Earlier in her speech, MEF patron and adviser Tan Sri Rafidah Aziz said the organisation plans to set up a secretariat for London and Brussels to assist the government in addressing the broad range of issues of common interest, focusing on information-sharing and forging better understanding of Malaysia and the EU.