

Helping Bumi firms benefit from TPP

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KUALA LUMPUR: Steps have been taken to ensure Bumiputera companies make the most out of the Trans Pacific Partnership (TPP) agreement once it is formalised.

Studies were initiated as early as two years ago to look into the probable effects of the trade pact, along with engagements with key organisations and individuals involved in TPP talks.

Bumiputera Agenda Steering Unit (Teraju) chief executive officer Datuk Husni Salleh said it had commissioned PricewaterhouseCoopers (PwC) to conduct a cost-benefit analysis on TPP and its impact on Bumiputera companies and small- and medium-scale enterprises (SMEs).

"Generally, the PwC cost-benefit analysis (CBA) indicates that Bumiputera companies will not be affected much. The issue is not so much

Facilitation fund by corridors

INFOGRAPHIC NST



Opportunities and value under Teraju (2011-2015)

INFOGRAPHIC NST

PRIVATE BUMIPUTERA INVESTMENT

RM10.2B
Investment from Facilitation Fund

BUSINESS OPPORTUNITIES

RM36.06B
Project value from "Carve-Out and Compete"

VALUE CREATED

RM3.6B
Value created after listing via Skim Jejak Jaya Bumiputera

RM6.6B
Earnings value from Vendor Development Programmes (G20/ Khazanah Nasional Bhd)

RM164.4B
Asset disposals by government-linked investment companies and government-linked companies

BUSINESS FINANCING AND HUMAN CAPITAL DEVELOPMENT

RM2.7B
Teras Funding at SME Bank, RHB Islamic Bank, MIDF and Maybank Islamic

RM400M
Halal Development Fund at Agrobank

RM475M
Bumiputera Business Expansion Fund at Malaysian Technology Development Corporation

RM144M
Prosper Teras and Early Childhood Care and Education franchise financing at Perbadanan Usahawan Nasional Bhd

RM7.8M
Financing of cattle satellite farms at Jcorp

TPP, but that we don't yet have the capacity," he said at a media briefing on the Bumiputera Economic Empowerment Report Card here yesterday.

Citing TPP as one of the major challenges ahead, Husni said more Bumiputera companies should participate in programmes organised by Teraju to improve their capacity, exposure and scale to venture into new markets.

"Our approach is to ensure that we give opportunities to competitive companies to ensure they can make the most out of TPP," he added.

Husni said at the moment, less

than 10 per cent of Bumiputera companies had the capacity to significantly boost exports or undertake joint ventures overseas.

"We have incentives and programmes to make Bumiputera companies more competitive and increase their exposure. We want to ensure that all Bumi companies can take part in our programmes."

Husni said another TPP impact study was being undertaken by Khazanah Nasional Bhd on gov-

ernment-linked companies (GLCs) and government-linked investment

companies (GLICs). The report should be ready next month.

Following the release of the final TPP text, the government had also requested PwC and the Institute of Strategic and International Studies to prepare cost-benefit analyses reports that will be presented to Parliament.

Husni said another major challenge would be to meet the targets set under the 11th Malaysia Plan (2016-2020).

These include raising Bumiputera companies that can be considered "champions" at the national (30 companies), regional (10) and international (five) levels.

Another target is to ensure at least 90 per cent of Bumiputera households own a residential unit, and at least 30 per cent own a commercial or industrial property.

Generally, the PwC cost-benefit analysis (CBA) indicates that Bumiputera companies will not be affected much.

Datuk Husni Salleh
Bumiputera Agenda Steering Unit (Teraju) chief executive officer



**MORE THAN
RM60B
CREATED**

RM75M

Bumiputera Entrepreneur Development Fund

(Sabah, Sarawak, East Coast Economic Region (ECER), Iskandar Regional Development Authority (IRDA) and Northern Corridor Implementation Authority (NCIA))

RM10M

Financing of Tunas Usahawan Belia Bumiputera at SME Corp

RM15M

National Entrepreneurship Institute (Insken)

RM50M

Corporate Wakaf (Endowment) at National Wakaf Corporation

RM5M

Development Board

Financing for the Centre of Excellence for Mega Projects at Construction Industry

RM203M

Financing of Bumiputera Education Steering Foundation

RM100M

Financing of Bumiputera Entrepreneurs Startup Scheme Fund (Superb)

RM75M

Equity financing at Majlis Amanah Rakyat

RM10M

Bumiputera Export Business Programme (Tradex Programme)

RM20M

Entrepreneurship Development Fund with non-governmental organisations