

WEEK IN REVIEW: A BIT OF HONESTY SERVES BETTER

By A. Asohan | Oct 30, 2015



YOU know the drill. Heck, even if you don't, you've certainly felt the effects if you're Malaysian or living in Malaysia.

Every year, around this time, the technology ecosystem – from industry players and businesses to analysts and policy-makers – will come together to heap praise on yet another national Budget. Sometimes with good reason, occasionally without.

It certainly seemed the case this year, after Malaysian Prime Minister Najib Razak [tabled his proposed Budget 2016](#) in Parliament on Oct 23. The Budget had some 'goodies' in the form of increased handouts and hiked civil service wages, as well as a bunch of projects and the like.

Najib, also the Finance Minister – apparently because it's always a good idea to have your chief executive officer (CEO) also acting as your chief financial officer (CFO) – defended his administration's implementation of the Goods and Services Tax (GST). All well and good.

Here's a disclosure: I actually support the principle of a consumption-based tax because I've always felt that it is more equitable. However, I have many complaints about how Malaysia's GST was rolled out, and the items it covers. The devil's in the details, as they say.

It didn't help that government ministers and many agencies did not know what they were talking about either when defending the GST, but still, I couldn't get behind calls to just abolish it outright. For me, that was short-sighted, populist thinking.

But back to Budget 2016: As usual, industry players were full of praise, despite the fact it did not really address the fundamental economic challenges facing the country – some of these challenges come from the outside, some of them are self-inflicted, and some of them are an unholy combination of the two.

To borrow a phrase from American-Hungarian financier and philanthropist George Soros – very ‘popular’ in this part of the world – that darn macro-economy stuff is [more alchemy](#) than actual science.

The plunging ringgit, the lack of investor confidence, worrying questions of governance and transparency – none were really addressed. Because, you know, politics.

Yet the industry was largely giving out huzzahs. Here at Digital News Asia (DNA), we even received industry comments praising the ‘emphasis’ on education, despite the fact that the Higher Education Ministry faces a budget cut of RM2.4 billion, including an RM1.4-billion cut in allocations to public universities. [*RM1 = US0.24*]

Universiti Malaysia Sarawak (Unimas) vice-chancellor Professor Dr Mohd Kadim Suaidi even had to put on a brave front, saying that said in order to ensure the university’s financial sustainability, it would have to resort to doing “things we have not done before,” [according to The Malaysian Insider](#).

And the praise for the RM1.2-billion allocation to boost broadband speeds in the country, while understandable, may turn out to be short-sighted as well: We do not yet know how these funds will be disbursed, and to which companies.

And I write ‘disbursed’ because Malaysia does not have a liberalised telecommunications sector. Since we don’t have one, we might as well use regulation to force our communications and Internet players to buck up – which is what the National ICT Association of Malaysia (Pikom) had suggested before Budget 2016 was tabled: [Regulate broadband packages](#).

Pikom chairman Cheah Kok Hoong – also the Hitachi Sunway Information Systems group CEO – [poured even more cold water](#), expressing his disappointment that the Budget did not address fundamental concerns and challenges the ICT industry was facing.

He was joined in this ‘Lone Ranger’ role by iMoney cofounder and CEO Lee Ching Wei, who took an even stronger stance, saying, “In a budget that was supposed to be for the *rakyat* (the people), it seems like it only benefits a specific group of people.”

I don’t have to agree with them to want to salute them, because I think industry players do themselves, and the people of Malaysia, a disservice by blindly supporting government policies and decisions.

Praise where praise is warranted, call out the Government when it deserves it ... and if you’re not sure yet, wait for more information. Like I said, the devil’s in the details.