

Need for new policy guidelines

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KUALA LUMPUR, Thurs. — (Dr. Mahathir Mohamad spoke today of the need to formulate new policy guidelines to remove the conflicts of Government corporations competing against bumiputra entrepreneurs for Government contracts.

The Deputy Prime Minister said a clear distinction had to be made between the role of the bumiputra entrepreneurs and the corporations.

"Reports from these entrepreneurs indicate that in some instances, the corporations have competed against both bumiputras and non-bumiputras for Government contracts.

"This was never the intention of the Government in formulating the New Economic Policy (NEP).

"It is obvious that new policy guidelines are required to re-define more clearly the respective areas of economic participation.

"Generally, the corporations should perform the role of a catalyst for bumiputra entrepreneurs," he said at the opening of the 4th Malaysian Economic Convention on *Public Policies for Restructuring of Society*.

More than 200 economists, bankers, businessmen and senior Government officials are attending the three-day convention organised by the Malaysian Economic Association at the University of Malaya.

Dr. Mahathir said the Government would review the entire entrepreneurial development pro-

grammes of Government agencies initiated under the NEP.

There was overwhelming evidence to indicate that the major problem of bumiputra entrepreneurs was one of corporate financial management.

"It will become a major task of the Government to rationalise and coordinate the various programmes so that would-be bumiputra entrepreneurs would be upgraded in terms of their knowledge of the services, facilities and incentives provided for them.

"Some areas such as production, marketing and financial management have not been given the necessary emphasis, although these are the areas where bumiputras require the most assistance.

"It may also be necessary to redesign the programme itself to provide for more meaningful assistance," he added.

Dr. Mahathir said one of the major socio-economic policies initiated by the Government for more bumiputra participation in the economy was the entrepreneurial development programme which was most widely distributed and involved most of the main agencies.

He said the basic model of entrepreneurial development implemented by these agencies tended to be the same and there was a substantial amount of duplication and overlapping.

Dr. Mahathir said the strategy during the Third Malaysia Plan period was to consolidate and improve the management of these corporations.

He said translating Government policies was not easy because existing facilities must be utilised and new agencies formed and super human efforts were needed for coordination and supervision.

An up-to-date analysis had identified the main problems facing the Plan as implementation system and corporate financial control.

The Government, he said, had designed a statistical monitoring control system on equity, employment and management at central level.

But a monitoring or control system designed to track down inefficiency at the corporate level had not been devised.

"If implementation inefficiency is not corrected, the benefits originally conceived when the projects were selected would not materialise.

"A monitoring or control system enables early detection of mistakes or inadequacies leading to early corrective procedures which will enable that original expectations are realised."

"The agencies concerned have been directed to work on such a system," he added.

On development policies, he said the Government would continue to make substantial investments in regional development under the Plan.

About \$12 billion would be spent on the three major regional de-

velopment authorities while a fourth was being planned for the South Kelantan area.

Dr. Mahathir said it was too early to evaluate the potential of these areas in the restructuring goal of the Plan, "but if Jengka is any indication, the potential is indeed good."

Jengka would eventually support about 62,000 people by 1980.

He stressed that urban industrial centres in these areas were designed to provide a catalyst for a basically but not exclusively bumiputra industrial and commercial community.

Dr. Mahathir said the Government was committed to see a full realisation of the employment and equity goals of the Plan without stifling growth.

"Generally, the Government is moving towards a concept of integrated policy planning with the private sector," he said.

"The approach is pragmatic and flexible. We have consulted and intend to consult the private sector on most of the major policy changes. Complaints and feedbacks from the private sector are taken seriously and acted upon.

"One of the most important concepts developed by the Cabinet Committee on Investments was public-private sector partnership in development.

"This partnership is

becoming more real as communication improves between the two sectors.

"Tangible results have already been obtained as can be seen from the micro policy changes, legislative amendments and the package deal approach to bureaucratic procedures," he said.

Earlier, the president of the association, Datuk Professor Mokhzani Abdul Rahim, said the collaboration of leading policy makers, economists, demographers and planners from both the private and public sectors was a perennial feature of the convention.

"Such professional interaction generates mutual benefits.

"Academic economists' understanding of the variety of forces shaping and influencing the policy making process can be broadened.

"Also, analytical investigations of academics can provide fresh insights and new perspectives for policy makers and practicing economists."

On the association's call for greater utilisation of professional competence, he said this had been well received by the Government.

At present, two groups were voluntarily consulting with the Treasury and Majuikan on national development activities.