

D907

B E934 AAE
FMP-MAHATHIR (PRIVATE) 86
BM

KUALA LUMPUR, MARCH 21 (BERNAMA) -- THE PRIVATE SECTOR SHOULD PLAY A MORE EFFECTIVE ROLE IN ASSISTING THE GOVERNMENT TO ENHANCE NATIONAL ECONOMIC GROWTH, PRIME MINISTER DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

THE PRIVATE SECTOR HAD NOT PROVIDED THE DYNAMISM AND MOMENTUM OF GROWTH ENVISAGED EARLIER, HE SAID WHEN TABLING THE FIFTH MALAYSIA PLAN IN PARLIAMENT.

HE SAID THE PUBLIC SECTOR WAS COMPELLED TO CONTRIBUTE TO ECONOMIC GROWTH TO THE EXTENT THAT IT WAS NO LONGER CAPABLE OF FURTHER PROVIDING THE LEAD IN FUTURE EXPANSION.

+WE FAILED TO EXPLOIT OUR ADVANTAGES IN TERMS OF PRODUCTION, PROCESSING, MARKETING AND RESEARCH,+ HE ADDED.

HE SAID NATIONAL ECONOMY WAS ALSO CONSTRAINED BY STRUCTURAL PROBLEMS SUCH AS A NARROW ECONOMIC BASE DEPENDENT ON PRIMARY EXPORTS SUCH AS ELECTRONICS AND TEXTILES. -- MORE
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DATUK SERI DR MAHATHIR SAID THE ECONOMY WAS ALSO CONSTRAINED BY WEAK INTER-INDUSTRY LINKS, WEAKNESSES IN THE INVESTMENT INCENTIVES SYSTEM AND DECLINE IN COMPETITIVENESS OF MALAYSIAN GOODS.

HE ADDED, HOWEVER, THAT THE GOVERNMENT SUCCESSFULLY INTRODUCED COUNTER-CYCLICAL MEASURES TO REDUCE EFFECTS OF THE RECESSION.

THE PUBLIC SECTOR BUDGETARY DEFICIT, AS A PERCENTAGE OF THE GROSS NATIONAL PRODUCT (GNP), WAS REDUCED FROM 20.5 PERCENT IN 1981 TO 9.7 PERCENT LAST YEAR.

HE ALSO SAID THE CURRENT ACCOUNT DEFICIT IN THE BALANCE OF PAYMENTS, AS A PERCENTAGE OF THE GNP, WAS REDUCED FROM 14.1 PERCENT IN 1982 TO 3.1 PERCENT LAST YEAR.

THE PRIME MINISTER SAID THAT THE COUNTER-CYCLICAL MEASURES HAD RAPIDLY EXPANDED PUBLIC SECTOR EXPENDITURE WITH THE ATTENDANT FINANCIAL STRAIN ON THE GOVERNMENT. -- MORE
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+THROUGH PRUDENT MEASURES AND POLICIES, THE GOVERNMENT WAS ABLE TO IMPROVE THE RESOURCE POSITION AND TO CONTAIN THE GROWING SIZE OF PUBLIC DEBT,+ HE SAID.

THE PRIME MINISTER SAID THAT DURING THE 1970S, NATIONAL ECONOMY GREW AT AN AVERAGE RATE OF 7.6 PERCENT PER ANNUM IN REAL TERMS, RESULTING IN PER CAPITA INCOME GROWTH FROM \$1,109 IN 1970 TO \$3,719 BY 1980.

HE SAID THAT ECONOMIC EXPANSION IN THE 1970S WAS THE RESULT OF DOMESTIC AND EXTERNAL DEMAND AS WELL AS PUBLIC INVESTMENT.

HE ADDED THAT THE 1971-1980 PERIOD WAS ALSO MARKED BY MAJOR STRUCTURAL CHANGES IN NATIONAL ECONOMY, SAYING AGRICULTURAL SHARE IN THE GROSS DOMESTIC PRODUCT (GDP) DECLINED FROM 29 PERCENT IN 1970 TO 22.8 PERCENT IN 1980.

NATIONAL ECONOMY GREW AT A CREDITABLE RATE OF 5.8 PERCENT PER ANNUM FROM 1981 TO LAST YEAR AND THIS RESULTED IN PER CAPITA INCOME GROWING FROM \$3,719 TO \$4,609. -- MORE
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B E936 AAE
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DATUK SERI DR MAHATHIR ALSO SAID PROGRESS MADE IN EFFORTS TO ERADICATE POVERTY WAS MORE THAN SATISFACTORY.

HE SAID PROGRAMMES TO RAISE THE QUALITY OF LIFE OF THE POOR THROUGH PROVISION OF BASIC SERVICES, SUCH AS HEALTH, EDUCATION, WATER AND ELECTRICITY SUPPLY AND ROADS, CONTINUED TO BE IMPLEMENTED.

HE ADDED THAT THE OVERALL INCIDENCE OF POVERTY IN PENINSULAR MALAYSIA DECLINED FROM ABOUT 49 PERCENT IN 1970 TO ABOUT 18 PERCENT IN 1984.

THE GOVERNMENT ALSO CONTINUED TO MAKE PROGRESS IN RESTRUCTURING SOCIETY BY PROVIDING OPPORTUNITIES ESPECIALLY TO THE LOWER-INCOME GROUPS.

THE PRIME MINISTER SAID BUMIPUTERAS INVOLVED IN AGRICULTURE WERE ENGAGED IN MORE PRODUCTIVE ACTIVITIES WHILE BUMIPUTERA SHARE IN SELECTIVE PROFESSIONAL GROUPS, SUCH AS ARCHITECTS, ENGINEERS AND ACCOUNTANTS, HAD INCREASED. -- BERNAMA

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