

FMP-MAHATHIR (THRUST)  
EMBARGO: FOR RELEASE AT 4PM TODAY R'R'R'

KUALA LUMPUR, MARCH 21 (BERNAMA) -- THE THRUST OF DEVELOPMENT FOR THE FIFTH MALAYSIA PLAN WILL BE ONE OF MODERATE GROWTH WITH STABILITY, PRIME MINISTER (DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY.

IN VIEW OF RESOURCE CONSTRAINTS AND IMBALANCES, THE STRATEGY OF MODERATE GROWTH WITH STABILITY WOULD BE PURSUED WITHOUT RESORTING TO LARGE-SCALE BORROWING AS IN THE PAST, HE SAID WHEN TABLING THE FMP IN THE DEWAN RAKYAT.

+TOWARDS THIS END, CONCERTED EFFORTS WILL BE MADE TO INCREASE DOMESTIC SAVINGS, MOBILISE DOMESTIC RESOURCES, ATTRACT FOREIGN INVESTMENT AND HARNESS THE AVAILABLE RESOURCES IN THE MOST EFFICIENT AND PRODUCTIVE MANNER,+ HE SAID.

DATUK SERI DR MAHATHIR SAID VARIOUS STRATEGIES WOULD BE ADOPTED UNDER THE FMP TO STIMULATE GROWTH, AND THE MANUFACTURING SECTOR HAD BEEN EARMARKED TO PROVIDE THE GROWTH IMPETUS.

IN STIMULATING INDUSTRIAL GROWTH, HE SAID, THE DEVELOPMENT OF A FEW SELECTED INDUSTRIES WOULD BE ACCELERATED TO MAXIMISE RESOURCE ALLOCATION AND EXPLOIT THE COUNTRY'S COMPARATIVE ADVANTAGE. -- MORE  
1552MST 21 03 86

B E864 AAE  
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+THE ECONOMIES OF LOCATION WILL BE GIVEN GREATER IMPORTANCE IN THE SITING OF INDUSTRIES, ESPECIALLY THE LARGE AND MEDIUM-SIZED EXPORT-ORIENTED INDUSTRIES.

+IN ADDITION, MORE JOINT VENTURES WITH FOREIGN CORPORATIONS WILL BE ENCOURAGED TO LAUNCH MALAYSIA AS A GLOBAL MARKETEEER OF MANUFACTURED PRODUCTS IN THE INTERNATIONAL MARKETS.+

DATUK SERI DR MAHATHIR SAID THE AGRICULTURE SECTOR WOULD ALSO BE REVITALISED TO INCREASE FARM EARNINGS AND BE A PRODUCTIVE SOURCE OF EMPLOYMENT AS WELL AS A CONTRIBUTOR TO ECONOMIC GROWTH.

HE SAID STEPS WOULD BE TAKEN TO ALLOW MORE FLEXIBILITY IN THE USE OF AGRICULTURAL LAND TO PROMOTE GREATER PRIVATE SECTOR INVESTMENT, ESPECIALLY IN LOCAL FOOD PRODUCTION.

TAX INCENTIVES FOR THE AGRICULTURE SECTOR HAD BEEN IMPROVED AND LARGE-SCALE CULTIVATION OF PADI IN GRANARY AREAS, USING MODERN TECHNIQUES AND MANAGED BY TRAINED PROFESSIONAL MANAGEMENT TEAMS, WOULD BE ENCOURAGED, HE SAID. -- MORE  
1603MST 21 03 86

FMP-MAHATHIR (THRUST) 3 KUALA LUMPUR

DATUK SERI DR MAHATHIR SAID THE CULTIVATION OF CROPS AND THE PROVISION OF SUPPORT SERVICES AND PROGRAMMES THAT WOULD LEAD TO HIGHEST ECONOMIC RETURNS WOULD BE EMPHASISED.

HE SAID INCREASING THE PRODUCTIVITY OF LOCAL LABOUR THROUGH THE FULLER DEVELOPMENT OF HUMAN RESOURCES WAS AN IMPORTANT COMPONENT OF THE STRATEGY TO STIMULATE GROWTH.

CLOSER RAPPORT BETWEEN TRAINING INSTITUTIONS AND THE PRIVATE SECTOR WOULD BE ENCOURAGED TO INCREASE THE RELEVANCE AND COST-EFFECTIVENESS OF TRAINING PROGRAMMES.

DATUK SERI DR MAHATHIR SAID GREATER EMPHASIS WOULD BE GIVEN TO RESEARCH AND DEVELOPMENT PROGRAMMES TO ACHIEVE RAPID INDUSTRIALISATION AND TO IMPROVE THE COMPETITIVENESS OF THE COUNTRY'S PRODUCTS.

UNDER THE FMP, HIGHER TECHNOLOGY AND STRATEGIC PROGRAMMES THAT WOULD BOOST THE COUNTRY'S TECHNOLOGICAL CAPABILITY WOULD BE INITIATED.

IN THIS RESPECT, HE SAID, MORE EFFORTS WOULD BE MADE TO FOSTER AND UPGRADE INDIGENOUS CAPACITY AND COMPETENCE IN SCIENTIFIC AND TECHNOLOGICAL INNOVATIONS. -- MORE  
1713MST 21 03 86

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B E891 AAE  
FMP-MAHATHIR (THRUST) 4 KUALA LUMPUR

DATUK SERI DR MAHATHIR SAID THE EXPERIENCE GAINED FROM THE ECONOMIC SLOWDOWN HAD ALSO BEEN BENEFICIAL IN THAT IT ENHANCED THE NATION'S ABILITY TO FACE THE CHALLENGES AHEAD.

+WHAT IS IMPORTANT NOW IS THE AWARENESS TO ACHIEVE MODERATE GROWTH WITH STABILITY. THIS WILL DEMAND SACRIFICES AND, ABOVE ALL, A CHANGE IN ATTITUDE.

+MALAYSIANS WILL HAVE TO BE MORE REALISTIC WITH REGARD TO THEIR LEVEL OF EXPECTATIONS AND STANDARD OF LIVING TO BE MORE IN KEEPING WITH A DEVELOPING COUNTRY.

+WE HAVE TO LIVE WITHIN OUR MEANS AND NOT JEOPARDISE AND BURDEN FUTURE GENERATIONS WITH HUGE NATIONAL DEBTS. WE MUST SACRIFICE OUR SHORT-TERM NEEDS TO ENSURE A BETTER FUTURE FOR OUR FUTURE GENERATIONS.+ -- MORE

1755MST 21 03 86

B E892 AAE  
FMP-MAHATHIR (THRUST) 5 KUALA LUMPUR

ON CONSTRAINTS IN THE GLOBAL ENVIRONMENT, DATUK SERI DR MAHATHIR SAID SINCE MALAYSIA IS ONE OF THE MOST TRADE-DEPENDENT ECONOMIES IN THE WORLD, FLUCTUATIONS IN THE WORLD TRADE HAD A DIRECT EFFECT ON THE COUNTRY.

+IT WOULD NOT BE TOO FAR OFF THE MARK TO SUGGEST THAT THE WORLD TRADING SYSTEM IS AN INEQUITABLE SYSTEM WHERE THE SHARING OF BENEFITS FROM INTERNATIONAL TRADE HAS NOT BEEN A FAIR ONE,+ HE SAID.

HE SAID THAT WHILE THE RICH COUNTRIES HAD BENEFITED FROM SHARP DECLINES IN COMMODITY PRICES, THE DEVELOPING COUNTRIES WHICH PRODUCE THE BULK OF THESE COMMODITIES HAD HAD TO BEAR THE BRUNT OF THIS DEPRESSION.

+NEVERTHELESS, WE CANNOT WASTE OUR TIME BEMOANING THE LACK OF CONSIDERATION ON THE PART OF THE RICH COUNTRIES. WHILE WE HAGGLE AND ARGUE WITH THEM WE MUST ALSO LOOK AT OURSELVES AND THE THINGS THAT WE CAN DO TO OVERCOME OUR ECONOMIC PROBLEMS,+ HE SAID. -- MORE  
1757MST 21 03 86

B E893 AAE  
FMP-MAHATHIR (THRUST) 6 KUALA LUMPUR

AMONG THE MEASURES HE SUGGESTED WERE A SECOND LOOK AT THE COUNTRY'S STRATEGY OF OVER-RELIANCE ON COMMODITY PRODUCTION FOR ECONOMIC EXPANSION, IMPROVE MANAGEMENT EXPERTISE, REDUCE COSTS, DO MORE RESEARCH AND DEVELOPMENT AND COORDINATE PRODUCTION SO AS NOT TO BE CONSTANTLY FACED WITH UNMANAGEABLE GLUT SITUATIONS.

SAYING THAT THE INTERNATIONAL ECONOMIC ORDER WAS NOT A JUST ECONOMIC ORDER, DATUK SERI DR MAHATHIR ADDED THAT ONE OF THE ELEMENTS OF ECONOMIC JUSTICE WAS THAT PRODUCERS OF GOODS AND SERVICES SHOULD BE FAIRLY AND ADEQUATELY REWARDED FOR THE COST AND EFFORT REQUIRED TO PRODUCE THESE PRODUCTS.

AT THE SAME TIME, HE SAID, THE GOODS AND SERVICES THAT THEY BOUGHT OR IMPORTED SHOULD ALSO REFLECT THE TRUE VALUE OF THESE IMPORTS.

BUT, HE SAID, THE ECONOMIC MIGHT OF THE INDUSTRIALISED COUNTRIES AND THE POWER OF TRANSNATIONAL CORPORATIONS AND COMMODITY TRADERS HAD DOMINATED THE GLOBAL MARKETS FOR MANY OF THE PRODUCTS THAT WERE EXPORTED AND IMPORTED BY THIRD WORLD COUNTRIES.

+WITH THE RECESSION, THE PRICES OF OUR COMMODITIES HAVE SLIDED TO A LEVEL BELOW PRODUCTION COST, BUT THE PRICES OF OUR IMPORTS OF MANUFACTURED GOODS FROM THE DEVELOPED COUNTRIES HAVE NOT REALLY DECLINED, DESPITE THE LOW RAW MATERIAL COSTS,+ HE SAID. -- MORE  
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B E897 AAE  
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+THIS IS A CLEAR CASE OF UNEQUAL EXCHANGE AND IT IS DETRIMENTAL TO OUR TERMS OF TRADE, AND THUS TO OUR EFFORTS TO DEVELOP,+ HE SAID. HE CITED THE APPRECIATION OF THE YEN WHICH HAD INCREASED MALAYSIA'S DEBT SERVICING OBLIGATIONS ON ITS LOANS RAISED IN YEN. AS THESE LOANS ACCOUNTED FOR 20 PERCENT OF THE PUBLIC SECTOR'S DEBT, THE INCREASE IN DEBT SERVICING WAS SUBSTANTIAL WHILE APPRECIATION OF THE YEN WOULD ALSO MAKE IMPORTS FROM JAPAN MORE EXPENSIVE, HE SAID.

DATUK SERI DR MAHATHIR SAID ALL THESE WERE MADE WORSE BY THE PERNICIOUS PRACTICE OF PROTECTIONISM WHICH WAS BECOMING MORE PERVERSIVE, RAMPANT AND ENTRENCHED IN THE INDUSTRIALISED COUNTRIES.

+WHERE IS THE JUSTICE IN THE APPROACH WHICH, ON THE ONE HAND, ENCOURAGES DEVELOPING COUNTRIES TO INDUSTRIALISE IN THE CONTEXT OF THE CHECKS AND BALANCES OF MARKET FORCES WHILE, ON THE OTHER, THE MARKETS OF THE INDUSTRIALISED COUNTRIES ARE STEADILY CLOSED TO THE EXPORTS OF THE THIRD WORLD COUNTRIES?+ HE ASKED. -- MORE  
1817MST 21 03 86

B E900 AAE  
FMP-MAHATHIR (THRUST) 8 KUALA LUMPUR

DATUK SERI DR MAHATHIR SPOKE OF THE IMPORTANCE FOR MALAYSIA TO MAINTAIN ITS LONG-TERM STRATEGIC NICHE IN THE WORLD RUBBER AND PALM OIL MARKETS AS WELL AS OTHER EXPORT COMMODITIES.

HE CALLED FOR A MORE TANGIBLE RESPONSE FROM THE PRIVATE SECTOR FOR THE ATTAINMENT OF THE GROWTH TARGET UNDER THE FMP, SAYING THAT THE GOVERNMENT, FOR ITS PART, WAS PREPARED TO DO EVERYTHING POSSIBLE TO DEREGULATE THE ECONOMY IN STAGES TO PROVIDE A MORE FAVOURABLE ENVIRONMENT FOR PRIVATE INVESTMENT.

IN FACT, HE SAID, THE DEREGULATION DRIVE HAD STARTED, WITH THE RECENT AMENDMENTS TO THE CONDITIONS REQUIRED BY THE INDUSTRIAL COORDINATION ACT AND MORE LIBERAL EQUITY GUIDELINES FOR FOREIGN INVESTMENT BEING THE SPECIFIC MEASURES TOWARD THIS END.

DATUK SERI DR MAHATHIR SAID THE PUBLIC SECTOR WOULD NO LONGER PLAY A LEADING ROLE IN STIMULATING ECONOMIC GROWTH AND THAT STEPS WOULD BE TAKEN TO GRADUALLY REDUCE THE SIZE AND ROLE OF THE SECTOR THROUGH CONSOLIDATION TO ENSURE EFFICIENCY, ACCOUNTABILITY AND PRODUCTIVITY.

MORE PRIVATISATION OF GOVERNMENT AGENCIES AND ACTIVITIES WOULD BE UNDERTAKEN TO TRIM GOVERNMENT PARTICIPATION IN THE ECONOMY AND AT THE SAME TIME INCREASE PRODUCTIVITY AND EFFICIENCY, HE SAID. --  
BERNAMA  
1833MST 21 03 86