

D401

B E796 AAE  
MAHATHIR-NEP R'R'R'  
BM

KUALA LUMPUR, JUNE 28 (BERNAMA) -- DATUK SERI DR MAHATHIR MOHAMAD SAID TODAY THE SUCCESS IN THE IMPLEMENTATION OF THE NEW ECONOMIC POLICY (NEP) WAS SOMETHING TO BE PROUD OF DESPITE THE UNFAVOURABLE ECONOMY IN THE EARLY 80S.

THE PRIME MINISTER SAID THERE WAS MARKED PROGRESS TOWARDS ACHIEVING THE NEP OBJECTIVES OF ERADICATING POVERTY AND RESTRUCTURING OF SOCIETY, PARTICULARLY IN TERMS OF EMPLOYMENT AND PROPERTY OWNERSHIP.

THE INCIDENCE OF POVERTY IN PENINSULAR MALAYSIA HAD BEEN REDUCED TO 17 PERCENT IN 1987 FROM 49 PERCENT IN 1970, HE ADDED.

BY THE END OF THE FIFTH MALAYSIA PLAN (FMP) PERIOD IN 1990, ABSOLUTE POVERTY WAS EXPECTED TO BE ERADICATED IN THE PENINSULA, DATUK SERI DR MAHATHIR SAID WHEN TABLING THE MID-TERM REVIEW OF THE FMP IN THE DEWAN RAKYAT.

THE 1987 POVERTY LINE WAS A MONTHLY INCOME OF \$350 FOR PENINSULAR MALAYSIA, \$429 FOR SARAWAK AND \$533 FOR SABAH. -- MORE 1737MST 28 06 89

D414

B E804 AAE  
MAHATHIR-NEP 2 KUALA LUMPUR R'R'R'

THE PRIME MINISTER SAID DEVELOPMENT PLANS, PARTICULARLY IN THE RURAL AREAS, HAD A BEARING ON THE PRODUCTIVITY AND INCOME OF THE POOR SUCH AS SMALLHOLDERS, PADI PLANTERS, FISHERMEN AND ESTATE WORKERS.

MORE RURAL FOLK WE NOW ENJOYING FACILITIES SUCH AS WATER AND ELECTRICITY SUPPLY AS WELL AS ROADS, HE ADDED.

AS FOR THE SECOND OBJECTIVE OF THE NEP -- RESTRUCTURING OF SOCIETY -- DATUK SERI DR MAHATHIR SAID THE ACHIEVEMENT WAS ALSO COMMENDABLE WITH AN INCREASE IN BUMIPUTERA PARTICIPATION IN THE INDUSTRIAL AND COMMERCIAL SECTORS. BUMIPUTERA OWNERSHIP IN THE CORPORATE SECTOR ROSE FROM 2.0 PERCENT IN 1970 TO 19 PERCENT LAST YEAR.

HE SAID THE PROGRESS IN BUMIPUTERA PARTICIPATION IN THE 80S WAS NOT AS SMOOTH AS IT WAS IN THE 70S BECAUSE OF THE RECESSION, PARTICULARLY DURING THE 1985-86 PERIOD, WHICH BROUGHT ABOUT THE PROBLEM OF UNEMPLOYMENT AND REDUCED INVESTMENTS IN THE PUBLIC AND PRIVATE SECTORS.

+WHEN THE COUNTRY WAS AFFECTED BY THE RECESSION, THERE WERE PEOPLE WHO WERE SCEPTICAL ABOUT THE POSITION OF THE NEP IN THE DEVELOPMENT AGENDA OF THE NATION, PARTICULARLY WITH OWNERSHIP RESTRUCTURING,+ HE SAID. -- MORE 1808MST 28 06 89

U424

B E812 AAE  
MAHATHIR-NEP 3 KUALA LUMPUR R'R'R'

+IT IS IMPORTANT TO NOTE THAT THE NEP IS NOT EXCLUSIVELY FOR THE BUMIPUTERA NOR IS IT LIMITED TO EQUITY TARGETS ALONE. THE CREATION OF EMPLOYMENT OPPORTUNITIES, AND THE PROVISION OF EDUCATION AND ASSISTANCE TO THE LOW INCOME GROUPS ARE EQUALLY IMPORTANT OBJECTIVES OF THE NEP.

+THESE OBJECTIVES WERE IN FACT PURSUED EVEN THOUGH THE ASSET OWNERSHIP OF THE BUMIPUTERA WAS ADVERSELY AFFECTED BY THE RECESSION.+

DATUK SERI DR MAHATHIR ALSO SAID THERE WAS NO EVIDENCE TO SUPPORT ALLEGATIONS BY CERTAIN GROUPS THAT THE RETRUCTURING MECHANISM HAD AFFECTED ECONOMIC PERFORMANCE BY REDUCING PRIVATE INVESTMENT AND DISMISSED SUGGESTIONS THAT THE RELAXATION GIVEN TO FOREIGN INVESTORS WAS AN INDICATION THAT THE NEP HAD TAKEN A BACK SEAT.

IN THIS MATTER, HE SAID, THE GOVERNMENT HAD A CHOICE. ONE WAY WAS FOR THE GOVERNMENT TO WAIT UNTIL IT HAD SUFFICIENT CAPITAL TO MEET ITS TARGET OF EQUITY OWNERSHIP BUT THAT WOULD MEAN THAT MORE PEOPLE WOULD BE UNEMPLOYED.

THE SECOND APPROACH WAS TO REDUCE THE REQUIREMENTS FOR LOCAL EQUITY PARTICIPATION IN ORDER TO PROVIDE MORE INCENTIVES FOR FOREIGN INVESTMENT TO INCREASE IN INDUSTRIES WHICH PROVIDED EMPLOYMENT OPPORTUNITIES TO THE PEOPLE, HE ADDED. -- BERNAMA  
1827MST 28 06 89