

D550

R E 222 AAE
HAHATHIR-ECONOMY

KUALA LUMPUR, AUG 7 (BERNAMA) -- THE POST-1990 ECONOMIC POLICY WILL CONTINUE TO ENSURE THAT PRIVATE INITIATIVE CAN FIRMLY ASSUME THE ROLE OF THE PRINCIPAL ENGINE OF GROWTH WHILE THE ROLE OF THE GOVERNMENT WILL BE DOWNGRADED, THE PRIME MINISTER SAID TODAY.

OPENING THE 10TH MALAYSIAN ECONOMIC CONVENTION HERE, DATUK SERI DR MAHATHIR MOHAMAD SAID THIS WOULD MEAN THAT THE GOVERNMENT WOULD CONTINUE TO ADOPT A LIBERAL APPROACH IN IMPLEMENTING ITS DEVELOPMENT POLICIES, PARTICULARLY THOSE ONEQUITY OWNERSHIP.

HE BELIEVED THE APPROACH WOULD ENABLE THE ECONOMY TO GENERATE THE GROWTH IN EMPLOYMENT AND INCOMES NEEDED TO ACHIEVE THE OBJECTIVES OF REDUCING POVERTY AND RESTRUCTURING SOCIETY. +THE SIZE OF THE CAKE MUST BE MADE TO GROW BIGGER AND BIGGER SO THAT WE HAVE MORE TO DISTRIBUTE+, HE ADDED.

DATUK SERI DR MAHATHIR, HOWEVER, STRESSED THAT A CERTAIN DEGREE OF GOVERNMENT INTERVENTION WOULD CONTINUE TO BE NECESSARY TO REDRESS THE SOCIAL INEQUALITIES IN THE ECONOMY.

HE SAID IT WOULD BE UNREALISTIC TO RELY ENTIRELY ON THE MARKET MECHANISM AS THE SOLE AVENUE TO DEAL WITH THOSE PROBLEMS AND THE GOVERNMENT WOULD INTERVENE WHERE NECESSARY TO ASSIST THE LESS FORTUNATE SECTIONS OF SOCIETY. -- MORE

1331MST 07 08 89

R E 223 AAE
MAHATHIR-ECONOMY 2 KUALA LUMPUR

HE SAID THE FUTURE OF MULTI-RACIAL HARMONY AND NATIONAL UNITY IN THE COUNTRY WOULD STILL DEPEND MUCH ON THE GOVERNMENT'S ROLE IN CREATXNG A +CARING SOCIETY+.

+ENOUGH CARE TO PROTECT THE RIGHTS OF THE WEAK WITHOUT DEPRIVING THE RISK TAKERS OF THE EARNINGS HAVE TO BE UPHELD+, HE ADDED.

WITHOUT A DOUBT, HE SAID, THE DECADE OF THE 1990S WOULD HERALD A NEU ERA FOR THE MALAYSIAN ECONOMY WITH PLENTY OF NEW CHALLENGES AND OPPORTUNITIES. IT WOULD HARK AN IMPORTANT WATERSHED IN MALAYSIAN HISTORY AS THE COUNTRY WOULD HAVE COMPLETED THE 20-YEAR OUTLINE PERPECTIVE PLAN (OPP).

DATUK SERI DR MAHATHIR SAID IT WAS PRECISELY FOR THIS REASON THAT THE NATIONAL ECONOMIC CONSULTATIVE COUNCIL (NECC) WAS ESTABLISHED TO PROVIDE AN AVENUE FOR MALAYSIANS TO CONTRIBUTE TO NATION BUILDING AND TO DEVISE A UNITY OF PURPOSE IN THE THRUST OF POLICY DIRECTIONS AFTER 1990, TOGETHER UITH OTHER SPONTANEOUS CONFERENCES, SEMINARS AND DIALOGUES TO REFINE SIMILAR IDEAS.

+OBVIOUSLY THE GOVERNMENT CANNOT INCORPORATE EVERYONE'S IDEAS BUT IT WILL BE BETTER ABLE TO JUDGE WHAT AND WHAT NOT TO DO, + HE ADDED. - - MORE

1333MST 07 08 89

R E224 A A E

MAHATHIR-ECONOMY 3 K U A L A L U M P U R

DATUK SERI DR MAHATHIR NOTED THAT THE MID-TERM REVIEW OF THE FIFTH MALAYSIA PLAN RECKONED THAT THE ECONOMY WOULD CONTINUE TO GROW STRONGLY IN 1989-90 AFTER A SURGE IN GROWTH OF CLOSE TO 9.0 PERCENT LAST YEAR.

AS THE LATEST INDICATORS SUGGESTED THAT THIS GROWTH TREND COULD BE SUSTAINED AT LEAST UNTIL THE EARLY YEARS OF THE 1990S, THE COUNTRY'S OPTIMISM TOWARDS THE DECADE AHEAD WAS FOUNDED ON CURRENT PERFORMANCE, HE SAID.

TOUCHING ON THE ACHIEVEMENT OF THE NEW ECONOMIC POLICY (NEP), THE PRIME MINISTER HIT OUT AT CRITICS WHO DENOUNCED THE NEP AS A FAILURE AND HELD IT RESPONSIBLE FOR ALL SORTS OF PROBLEMS AND DIFFICULTIES FACED BY THE COUNTRY IN RECENT YEARS.

+FOR REASONS BEST KNOWN ONLY TO THEMSELVES! THESE PEOPLE HAVE CHOSEN TO IGNORE THE VERY SUBSTANTIAL ACHIEVEMENTS BROUGHT ABOUT BY THE NEP IN REDUCING POVERTY AND CORRECTING IMBALANCES BETWEEN THE RACES,+ H E SAID.

WHILE AGREEING THAT MUCH MORE NEEDED TO BE DONE TO-FREE THE REMAINING 650,000 POOR HOUSEHOLDS FROM THE GRIPS OF POVERTY, HE STRESSED THAT WITHIN A SHORT SPAN OF LESS THAN 20 YEARS THE NEP HAD SUCCEEDED IN BRINGING DOWN THE INCIDENCE OF POVERTY FROM NEARLY 50 PERCENT OF ALL HOUSEHOLDS IN 1971 TO LESS THAN 20 PERCENT BY 1988.

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1335MST 07 08 89

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R E230 AAE
MAHATHIR-ECONOMY 4 KUALA LUMPUR

DATUK SERI DR MAHATHIR SAID IT WOULD BE FATAL TO IGNORE THE ECONOMIC DISPARITIES BETWEEN THE RACES AND CONSEQUENTLY DO NOTHING TO CORRECT THESE IMBALANCES..

+BECAUSE WE ARE STABLE NOW IT IS EASY TO THINK THAT THE STABILITY IS UNRELATED TO THE NEP. THE SUGGESTIONS TO DROP THE NEP ALTOGETHER IS THE RESULT OF THIS KIND OF SHALLOW THINKING,+ HE STRESSED.

HE SAID THE EXPECTATIONS OF BUMIPUTERAS UNDER THE NEP HAD NOT BEEN FULFILLED SINCE THEY HAD ACHIEVED ONLY 66 PERCENT OF THE 30 PERCENT TARGET FOR WEALTH DISTRIBUTION.

THEY MIGHT BE AT FAULT BUT OTHER FACTORS OUTSIDE THEIR CONTROL WERE ALSO RESPONSIBLE AND IT WOULD BE A MI-STAKE TO DISMISS THEIR PERCEPTIONS AS IRRELEVANT TO THE FUTURE PROSPERITY OF THIS COUNTRY, HE ADDED;

HE SAID WHILE THERE WERE BUMIPUTERAS WHO ACTIVELY PARTICIPATED IN THE NEP, THESE WERE THE EXCEPTION RATHER THAN THE RULE. -- MORE

1441MST 07 08 89

R E239 AAE
MAHATHIR-ECONOMY 5 KUALA LUMPUR

HE BLAMED THOSE WHO USED THE NEP AS A CONVENIENCE AND NOT A POLICY WHICH BECAME ONE OF THE REASONS FOR THE PARTIAL FAILURE OF THE NEP. +THEY REGARDED THE NEP NOT AS AN INSTRUMENT OF SOCIAL AND ECONOMIC ENGINEERING BUT AS A MEANS TO GET RICH QUICK,+ HE SAID.

+THUS WHILE BUMIPUTERAS INVOKED THE NEP IN ORDER TO GET LICENCES AND CONTRACTS FROM THE GOVERNMENT, THEIR PARTICIPATION STOPPED THERE. THE LICENCES WERE SOLD TO NON-BUMIPUTERAS AND SO WERE THE CONTRACTS AND THEY WERE ONLY TOO HAPPY TO BE FREED FROM BUMIPUTERA ACTIVE PARTICIPATION.+

HE SAID THE POOR PERFORMANCES OF BUMIPUTERAS IN BUSINESS, PARTICULARLY IN PROJECT IMPLEMENTATION AND MANAGEMENT HAD CAUSED MASSIVE LOSSES TO THE GOVERNMENT.

HE SAID AFTER NEARLY 20 YEARS OF THE NEP THEY HAD NEITHER CREDIBILITY NOR ACCEPTANCE EVEN AMONG OTHER BUMIPUTERAS. THE PRIVATE SECTOR SHUNNED THEM AND THE WEALTH THAT SOME OF THEM ACQUIRED AND WHICH MANY FLAUNTED VANISHED UNDER THE SLIGHTEST THREAT, HE ADDED.

HE CALLED ON BOTH BUMIPUTERAS AND NON-BUMIPUTERAS TO HELP SOLVE THE DISPARITY PROBLEM IN THE FUTURE BY HELPING BUMIPUTERAS BECOME BETTER BUSINESSMEN.

THE THREE-DAY CONVENTION WITH THE THEME +THE MALAYSIA ECONOMY BEYOND 1990+ IS ORGANISED BY THE MALAYSIAN ECONOMIC ASSOCIATION. --

BERNAMA

1519MST 07 08 89

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