

Dr Mahathir: Economic policy thrust remains

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KUALA LUMPUR, Tues. — Malaysia's economic policy in the 1990s will continue to have growth with equitable distribution as its main thrust, Prime Minister Datuk Seri Dr Mahathir Mohamad said today.

He said the Government would continue with the current policies which had proved successful in promoting Malaysia as an investment centre.

Where necessary, new measures, including fiscal incentives, would be introduced to ensure that private investment spending remained sufficiently high

to support economic growth and development.

At the same time, efforts would be intensified to maintain a conducive investment environment for the private sector to flourish and lead the economic growth process.

This included increased allocations in the Sixth Malaysia Plan for the upgrading of infrastructural and other support activities in line with the needs of a rapidly expanding economy, Dr Mahathir said at the opening of a two-day conference on Labuan as an international offshore financial centre.

He said the Sixth Malaysia Plan from 1991 to 1995 would spell out the Government's commitment to providing the necessary support to ensure the administrative, industrial and human resource infrastructure was in place to support private sector investment and growth.

Speaking to reporters later, Dr Mahathir said efforts to balance the economic disparities among the communities in the country were important in the economic policy which would replace the New Economic Policy.

"We are of the opinion that efforts to balance the economic situation between the communities are still important and so we cannot drop this.

"Efforts to eradicate poverty will also be continued in the next policy," Dr Mahathir said.

"How we are going to achieve this has not been determined yet. But we will study the forthcoming final report from the National Economic Consultative Council as well as studies by the Economic Planning Unit and other Government agencies and propos-

als by the chambers of commerce.

"There were proposals that this next policy be for 10 years, 20 years and even without time limit. But we have not decided on the duration yet."

On efforts to promote the nation's investment, Dr Mahathir said the Government had extended by another year the investment guidelines on 100 per cent foreign equity ownership in manufacturing projects, which expired last year.

He also said that in the years ahead, priority would be given to the fur-

ther development of the financial services industry.

This was because a more efficient, innovative and competitive financial sector was vital to the growth process and overall development of the nation, particularly as the economy became increasingly modern and industrialised.

Some 200 participants are attending the conference organised by the Malaysian Industrial Development Authority, the Malaysian Institute of Accountants and the Malaysian Insurance Institute.