

Turning Mahathir's 2020 vision into reality for M'sians

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A FOOTBALL manager like Manchester United's Alex Ferguson will never change a winning team. The country's number one manager and administrator, Prime Minister Datuk Seri Dr Mahathir Mohamad, has found a winning formula to steer Malaysia to developed country status by 2020. Like Ferguson, Datuk Seri Dr Mahathir has indicated that he is unlikely to change his winning formula.

And why should he? A private sector-led economy boosted by the Malaysia Inc policy — a concept based on a close partnership between the Government and the private sector — has pushed the nation into a high growth period for the last three years.

This formula, many economists will agree, is the key to Malaysia's drive towards being a fully industrialised and developed country within the next 30 years. The Malaysian Inc concept is not new. It was first visualised in the early 1980s but its potential has only begun to be realised in the last few years.

Rising to the challenge of the recession years, the country's private sector has bloomed and responded, with the public sector providing better support than ever. This much improved coordination between both sectors has begun to bear fruit.

and profitable private sector will bring in more revenue and funds for development.

Datuk Seri Dr Mahathir has pledged that the Government will continue to downsize its role in economy and business. It will be pro-active to ensure healthy fiscal and monetary management and the smooth functioning of the economy.

The process of deregulation will continue with those deemed impeding progress being phased out. The freeing of the base lending rate by Bank Negara and the release of the Privatization Master Plan, which outlines opportunities for the private sector, are good recent examples.

In the last few years, the Government has cut a lot of red tape that hinders progress, liberalised investment guidelines and provided new incentives to investors. The result was tremendous — a hefty \$49.5 billion investments approved in the last three years alone.

The newly set-up MBC can be a good platform for discussion to iron out matters that can ruffle the economy and the country's ad-

social sciences.

The man in the street, Datuk Seri Dr Mahathir said, can play his part by being disciplined and by helping to curb inflation, the bane of all economic planners.

"The Government, the business sector and the people must be committed to keep inflation low. The only real way to combat inflation is to live within one's means. If we cannot afford something, we just don't buy."

Many governments all over the world have crumbled to inflation and no government can put a stop to it unless the people are prepared to accept the discomfort of austerity.

The private sector should seize the opportunities made available by the Government's liberalisation and accommodating attitude and provide constructive inputs.

"This nation cannot rely on the private sector as the primary engine of growth if it is inefficient and lethargic. You must be strong and dynamic, self-reliant, competent and honest," said Datuk Seri Dr Mahathir.

In this respect, the Prime Minister said, deregulation will be

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And so in 1988, the economy grew in real terms by 8.9 per cent, a year later by 8.8 per cent, and last year by a more impressive 9.4 per cent. The strong growth was in fact achieved even without expansionary budgetting.

"Even the tiger economies of North-East Asia have not done so well. No nation can afford to abandon a winning formula ... and this nation will not. For the foreseeable future, Malaysia will continue to drive the private sector, to rely on it as the primary engine of growth," Datuk Seri Dr Mahathir said at the inauguration of the Malaysian Business Council (MBC) — a high powered private and public sector think-tank — in Kuala Lumpur last week.

His vision on how Malaysia can achieve developed nation status by 2020, spelt out in his paper entitled "Malaysia: The Way Forward", contains fruitful recommendations that need to be studied by the 62 members of the MBC, the private sector, the public sector, economists, academicians and all Malaysians.

The winning formula needs to be sustained and strengthened. The public and private sectors need to continue to work closely together as partners both in time of economic boom and malaise. At the same time, whatever weaknesses that can stifle economic growth have to be identified and cleared up.

On the part of the Government, it has fully accepted that a strong

ministration. Chaired by the Prime Minister and comprising of Cabinet ministers, doyens of industry, bankers and top economists, the MBC should provide a direct link between the Government and the private sector.

Datuk Seri Dr Mahathir's winning formula also includes the Accelerated Industrialisation Drive (AID) — a policy that is not based on fascination with any particular industry but on the simple truth of what needs to be done to attain rapid industrialisation.

AID includes plans to tackle the narrow base of the manufacturing sector by moving away from electrical, electronics and textiles, diversifying the export markets to non-traditional countries in Africa and Latin America, and assisting small- and medium-scale industries (SMIs) to grow bigger.

The SMIs will be encouraged to manufacture the components needed by the larger and more entrenched industries, thereby ensuring more indigenous components are used in local manufacturing.

More training and better human resource development programmes need to be embarked on to ensure there is enough supply of skilled workforce for the industrialisation quest. There is also need for a correct mix of professionals, semi-professionals, craftsmen and artisans, as well as those who are competent in science and technology, arts and the

meaningless if bankers eventually behave like "banksters" and if freedom afforded to enterprises becomes merely licence to exploit without any sense of social responsibility.

"Our companies must have a high sense of corporate duty. Our struggle to ensure social justice, to uplift the position and competitiveness of the Bumiputeras and to achieve the other social objectives, must be your struggle, too.

"The responsibility of domestic investors must be greater than that of their foreign counterparts. We can ask ourselves to make a sacrifice for our country but we cannot expect foreigners to do it for us," he said.

If most of the problems identified are tackled, the Prime Minister feels that Malaysia can register an annual average growth of 7 per cent in real terms for the next 30 years to push the country into the developed nation league by 2020.

He concedes that his plan is not perfect and wants the MBC to look at it, criticise it and improve upon it. "Whether we achieve perfection or consensus on this agenda is not absolutely important. No formula is perfect. But the least perfect and the least productive is the perfect agenda unimplemented."

The rakyat have 30 years to turn Datuk Seri Dr Mahathir's vision of a strong, developed and harmonious Malaysia into a reality. — *By Azam Aris*