

Foreword by Prime Minister Datuk Seri

18 JUN 1991

THE year 1990 marks the end of the First Outline Perspective Plan (OPP1), 1971-90, and the New Economic Policy (NEP).

The last two decades under the NEP witnessed rapid development of the Malaysian economy, despite the many challenges the nation had to face internally and from abroad.

The high rate of economic growth coupled with significant reductions in the incidence of poverty and improvements in the restructuring of society has strengthened the foundations of the nation for further sustained growth and national unity.

As a result of this progress, the problems of poverty, unemployment and economic imbalances are less serious than they were years ago and have become much more manageable.

Malaysia is unique in that it is one of the few countries in the world which has, within a span of two decades, succeeded in bringing about a socio-economic transformation of the society which has enabled all Malaysians to gain from the benefits of development and enjoy a better quality of life.

Contrary to the views of many who harboured doubts on our development strategy under the NEP, we have achieved remarkable

progress in income distribution without sacrificing growth. While being proud of our achievements, we must not be complacent and be content with what we have achieved so far.

We must forge ahead with our efforts to remove the remaining socio-economic imbalances among the ethnic groups and alleviate poverty to establish a stronger foundation for national unity.

The Second Outline Perspective Plan (OPP2), 1991-2000, embodying the New Development Policy (NDP), signals the beginning of a new era in our effort to make Malaysia a fully developed nation by the year 2020.

The objective of the NDP is to attain a balanced development of the economy in order to establish a more united and just nation. The NDP will build upon the achievements and the lessons of the past decades and continue further with the process of eradicating poverty and restructuring society.

This policy will be implemented based on the principle of growth with equity in order to achieve a fair and just distribution for all sections of the society.

It must be emphasised that the attainment of the goals and targets of the

OPP2 and the NDP calls for a stable and sustained growth of the economy.

It is through growth that the nation can sustain its development and create the additional opportunities and resources required for achieving the distributional objectives.

The Government on its part will continue to be flexible and pragmatic in the implementation of its policies and programmes so as to create a favourable climate for private investment and for exports to expand, which is a fundamental requirement for the economy to move towards higher levels of industrialisation.

Government policies in the management of the economy will, therefore, be directed towards providing the incentives for private enterprise to flourish and towards enlarging the capacity for growth by expanding the public sector programmes for human resource development and the upgrading of the country's infrastructure facilities.

The Government firmly believes that with the opportunities that will be made available, the private sector will rise to the occasion and play a more active role towards the realisation of our national goals.

The OPP2 contains optimistic projections on the re-

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duction of poverty as a result of growth and high levels of employment in the country.

As absolute poverty is no longer a major problem, we will turn our attention towards resolving the remaining problem of hardcore poverty, which fortunately affects only a relatively small number of households.

At the same time, the Government will step up its efforts to reduce regional imbalances and deal with the emerging issues of relative poverty as an integral part of the strategy to improve further the distribution of income in the country.

We have not yet reached a stage in our development where ethnic imbalances have been completely eliminated. Therefore, it is essential to continue with the implementation of the strategy of restructuring society, especially with the objective of increasing the participation of the Bumiputera community in the modern sectors of the economy.

Under the NDP, changes will be made in the method of implementing this strategy to take into account the weaknesses of previous approaches and also the progress which has already been made.

What is more important

in restructuring is not so much the achievement of specific numerical targets, but to improve the capacity of the Bumiputera to create wealth and to manage it.

These aspects of restructuring will, therefore, be given more emphasis in the NDP especially through human resource development programmes in education, training and the inculcation of the right value system.

The country is fortunate that it is entering the next phase of its development with a strong economic base. Although the prospects for growth are bright, we must be prepared for all eventualities.

Economic resilience can only be attained through higher levels of productivity and efficiency and a broad-based industrial spread.

With industrialisation assuming a prominent role in the economy, our values and attitudes must change to meet the requirement of an industrialised economy.

We must work harder and discipline ourselves to achieve continuous competitiveness in the world economy.

Quality and excellence must become the hallmark of our nation. These values coupled with our strong moral and spiritual values will enable Malaysia to achieve the target of the

OPP2 and progress towards becoming a developed nation by the year 2020.

The preparation of the OPP2 has involved extensive consultation with the public as well as the private sectors.

I would like to take this opportunity to express the deep appreciation of the Government to the National Development Planning Committee for leading various Government agencies in the preparation of this plan and also to several organisations, including international institutions, which have given constructive views and suggestions.

In the spirit of Malaysia Incorporated, this co-operation between the public and the private sectors must continue to enable the objectives of the OPP2 to be achieved.

I would like also to congratulate the members of the National Economic Consultative Council for their contribution. Although not all of their recommendations have been accepted, their ideas and suggestions have nevertheless been useful to the Government.

With the understanding and support of all right thinking Malaysians, God willing, the OPP2 will move Malaysia one more stage towards the goal of a developed nation.