

THE FIRST STEP

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\$104 billion plan to start nation's march towards 2020

By Chua Yew Kay

KUALA LUMPUR, Wed. — The Sixth Malaysia Plan unveiled by the Prime Minister in Parliament today proposes to spend \$104 billion for development projects over the next five years.

It is the first step towards making the country a developed nation by 2020. Datuk Seri Dr Mahathir Mohamad urged Malaysians to work hard, increase productivity and be innovative in their efforts to meet the challenges ahead.

"We should realise we have already built up the socio-economic foundation and the infrastructure of the nation and, therefore, to progress further we have to use them efficiently and fully."

He said the Government would ensure that it would carry out its social obligations and spearhead the socio-economic programmes.

It would also ensure that a conducive and favourable environment would continue to be created where private initiatives and enterprises could grow and prosper.

He urged the private sector to dynamically play a more productive role not only in generating growth through expansion in investments but also in contributing towards the nation's socio-economic goals.

"In this way, the true spirit of the Malaysia Incorporated concept will emerge, and we Malaysians, will continue to prosper and progress to reach the ultimate goal of becoming a developed nation by the year 2020," he said.

The 6th Plan represents the first phase of the Second Outline Perspective Plan (OPP2), which contains the National Development Policy, that sets out the socio-development objectives for the next 10 years. The Vision 2020 provides the overall plan for Malaysia to reach developed nation status in 30 years.

Dr Mahathir said the main thrusts of the 6th plan would be to sustain the growth momentum and manage it successfully to achieve a more balanced development of the economy in line with the objectives of the NDP.

"The 6th plan will pursue vigorously

the basic philosophy of growth with equity.

"This will enable all Malaysians to participate in the mainstream of economic activities ... contributing towards reducing the existing socio-economic imbalances among the ethnic groups and strengthening national unity further.

"This stability will provide a strong foundation for the nation to attain the objective to become a fully developed nation by the year 2020," he said.

On the economic prospects during the 6th plan Period, Dr Mahathir said the economy was poised for another cycle of high economic performance based on the high rates of domestic savings, rapid growth of exports, increasing productivity and competitiveness.

However, as Malaysia is an open economy, its prospects would be affected by changes in the world economic environment, he said.

The Malaysian economy was expected to grow at an average rate of 7.5 per cent per annum in real terms over the 6th Plan, compared with the average of 6.7 per cent during the 5th Plan.

He said there would be no major problems in financing the \$104 billion public development expenditure for the 6th plan and that the overall financial position of the country was strong.

Nevertheless, he said, "it is unhealthy to depend too heavily on petroleum which now accounts for about 30 per cent of the federal tax revenue."

He said the Government would take steps to diversify the revenue base and strengthen it, especially by reducing the "leakages" arising from the generous tax incentives given to the private sector.

Dr Mahathir said Malaysia's strength and resilience had been tested by the difficult years of the recession. "Yet we have emerged much stronger and better positioned to succeed."

He said Malaysians of all walks of life who had contributed to this success could be proud of this achievement.

But, he said, despite the progress, much remained to be done.

He urged Malaysians not to become complacent but must continue to strive harder to achieve the goals "that we have set for ourselves."