

PM: Much more to be done

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KUALA LUMPUR, Wed. — Datuk Seri Dr Mahathir Mohamad launched the Sixth Malaysia Plan (SMP) today with a message to Malaysians to guard against complacency, contain inflation, improve productivity, enhance the country's competitive edge and strengthen its economic resilience.

The Prime Minister said the country's strength and resilience have been tested by the difficult and trying period of the recession.

Yet the country has emerged much stronger and better positioned to succeed, Dr Mahathir said in his 1½-hour address in the Dewan Rakyat.

"However, despite the progress made to date, much remains to be done. Malaysians must, therefore, not become complacent but must continue to strive harder to achieve the goals that we have set for ourselves," Dr Mahathir said.

Under the SMP, the economy is expected to grow at an average rate of 7.5 per cent annually, the expansion to be achieved largely through growth of domestic demand financed by the private and public sectors. Both sectors will spend a total of \$810 billion on consumption and investments, with 77 per cent coming from the private sector.

Private sector expenditures which would grow at an average rate of seven per cent per annum in real terms, or faster than the growth rate of five per cent per annum by the public sector, would provide the main thrust for the expansion of the domestic economy, Dr Mahathir said.

"This is in line with our policy that the private sector must be the engine of growth for the economy," he said adding that the country's socio-economic foundation and infrastructure have already been built over the years.

To progress further, their

full and efficient utilisation was therefore a must, the Prime Minister said as he reminded the *rakyat* that in any endeavour it would be relatively easy to start from a small base.

"But as the base grows bigger, incremental progress will become more difficult and will require greater energy and effort to sustain. Therefore, I urge all Malaysians to work hard, increase their productivity and be innovative in their efforts to meet the challenges ahead."

The Prime Minister also touched on the performance in the previous five-year plan period, an overview of the nation's socio-economic progress, the SMP's macro-economic targets and prospects, growth and distribution, productivity growth, the thrusts in the various sectors, scientific and technological development, the environment and the public sector programme for the SMP.

Dr Mahathir said that al-

though the main thrust of investments must come from the private sector, the role of public investment in national development remains important, especially in providing the infrastructure and services.

He also assured the public that the Government would continue to monitor and control the prices of essential items, just as it would closely structure money supply to prevent excessive demand that might lead to upward pressures on prices.

"Malaysians must know that they are largely responsible for saving themselves from inflation ... increases in earnings are meaningless if they are accompanied by inflation and their income will buy nothing more than what they could buy before the income increased.

"The Malaysian public therefore must be disciplined and conscious of their responsibility towards themselves, for, in truth, it is the public which cause inflation and it is they who will pay the price."