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MPlan-Mahathir

7MP DESIGNED TO MAKE MALAYSIA STRONGER ECONOMICALLY, MORE UNITED

KUALA LUMPUR, May 6 (Bernama) -- Datuk Seri Dr Mahathir describes it as a blueprint to "bring Malaysia to the threshold of the 21st century not only stronger economically but also more united as a nation".

And that in a nutshell is what the Seventh Malaysia Plan (1996-2000) is all about because it not only outlines the policies and strategies required for sustained rapid economic growth but also emphasises the importance of maintaining harmony between the material and spiritual aspects of development.

In his foreword in the 744-page plan document, the Prime Minister says by the end of the plan period, Malaysia expects to be fully prepared economically, socially and psychologically to take on the challenges of the new century and head firmly and confidently towards 2020 and the years beyond.

Dr Mahathir, who presented the plan in Parliament today, says Malaysia's latest five-year balanced development blueprint will focus on economic growth meshed with a social agenda to deal with the expected challenges and changes to the country.

Although the Prime Minister's remarks in the foreword dealt mainly with the challenges to be faced and the strategies to tackle them, the first few paragraphs of the plan document itself leaves no doubt that development, Malaysian-style, will continue to "extend beyond the purely economic dimension."

Dr Mahathir says the Seventh Malaysia Plan is designed to generate sustained rapid economic growth and ensure that the benefits of this growth would be equitably shared among citizens of all ethnic groups.

The plan also addresses the need to balance growth with the protection of the country's environment and natural resources, and acknowledges the emergence of various social problems in the wake of the rapid economic growth.

Dr Mahathir says the strategy during the 7MP will be for productivity-driven economic growth, a shift from the input- or investment-driven strategy relied upon in previous five-year plans.

This will require considerable upgrading of leadership capacities and initiatives in managing and organizing resources to generate higher productivity by both the public and private sectors.

He says that while the thrust of development policy during the plan period will continue to be predicated upon the concept of balanced development, the strategies for achieving it will include new ones. "The plan is a pragmatic blend of proven and new development strategies and programmes."

Another new strategem, he says, is a shift to large-scale production for export by Malaysian industries -- the logical next step to take in Malaysia's economic and industrial growth if it were to increase its share of global markets.

Furthermore, the shift will enable the expanding industries to benefit from economies of scale while the expected increase in global sales will help to strengthen the country's balance of payments position.

Recognising the importance of human resources in the push for productivity-led economic growth, Dr Mahathir says greater efforts will be made to strengthen Malaysia's human resource base through increased investments in training and education.

The plan addresses labour supply constraints, particularly by encouraging firms to move from labour-intensive production systems to capital-intensive ones. The utilisation of non-traditional labour sources will further assist in easing labour market tightness and reducing the country's dependence on foreign labour.

Dr Mahathir says the plan also includes new strategies to improve the science and technology (S & T) base, including increased investments in high level S and T manpower development.

"The Plan incorporates proposals for achieving qualitative improvements such as in promoting private sector participation in S and T development, nurturing of domestic innovations and inventions, and fostering better collaboration among research agencies, industry and universities," he adds.

As in the last few plans, he says, the Seventh Plan is a continuation of the strategy of private sector-led growth. Dr Mahathir says the sector had contributed tremendously but adds that "it must now redouble its efforts to meet new and more complex challenges as we seek to increase our share of world markets in face of stiffer competition from other emerging and established market economies."

"Privatisation, which has successfully contributed to the growth of the economy, will be accelerated," he says.

In the spirit of Malaysia Inc., he says, the public services and the government will continue to provide the necessary infrastructural and other support to the private sector.

He says the formulation of the Seventh Plan, which seeks to effectively propel Malaysia into the 21st century, is largely guided by the objectives and strategies of the National Development Policy (NDP).

The plan retains and re-emphasises the concept of balanced development, first introduced in 1991 as a major feature of the NDP.

Complementing the focus on economic growth, the programme for eradicating poverty and restructuring society will remain basically the same as in the Sixth Plan period but its implementation will be intensified and improved to ensure greater effectiveness.

An important element in this, Dr Mahathir says, is the greater involvement of state governments, the private sector and non-governmental organisations.

"The private sector, especially, is expected to play and increasingly active role in helping to create the Bumiputera Commercial and Industrial Community as well as in contributing towards the success of poverty reduction programmes."

Meanwhile, the plan says in its introduction that the thrusts of development policy will not only emphasise sustaining economic progress but also other aspects of development such as social justice, quality of life and political stability, with positive social and spiritual values.

"This holistic approach has been the hallmark of our development efforts," it adds.

"While it is essential to focus on economic issues, efforts must extend beyond the purely economic dimension to encompass as well the more intangible aspects of creating a united and resilient society with strong family values, greater self-discipline and an appreciation for the arts and culture."

The plan says material development alone at the expense of spiritual needs on one hand, or religious extremism on the other, will be detrimental to the development of Malaysian society.

It notes that while the challenges of rapid development and the pace of socio-economic transformation will put stress on individuals, the family and community, Malaysia's unique socio-cultural diversity can be turned into one of the strongest assets for the nation. -- BERNAMA

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