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PM: INDUSTRIALISATION CAN INCREASE WEALTH AND SOPHISTICATION

KUALA LUMPUR, Nov 28 (Bernama) -- Prime Minister Datuk Seri Dr. Mahathir Mohamad says Malaysia is industrialising because the government believes that only through industrialisation can the government ensure increasing wealth and sophistication for Malaysians.

"We also believe that it will help reduce the economic imbalance between the various races who are citizens of this country," he said at the launch of the Second Industrial Master Plan (IMP2), at the Putra World Trade Centre, here today.

He said Malaysia was not industrialising just because the government wanted to change the landscape from rice fields, rubber and oil palm estates to one that will mirror the developed and industrialised nations that Malaysia aspires to be.

"There is a political dimension to the IMP2 as has always been with all Malaysian plans," he said at the launch attended by cabinet ministers, government officials as well as captains of industry and foreign dignitaries.

Also present was International Trade and Industry Minister, Datuk Seri Rafidah, whose ministry was the lead ministry entrusted with producing the 10-year plan from 1995-2005.

Dr. Mahathir also said the government had noted that it had succeeded in reducing the economic imbalance to a great extent as "our politics is stable but we are also concerned that we do not have as large a Bumiputera middle class as to reflect the proportion of the population they constitute."

The government therefore wants to see the implementation of the IMP2 turn out more middle income Bumiputeras. "I will not elaborate on how this can be done, but we know it can be done," he said.

"We crave your support and indulgence in this...it will be good for everyone and especially for the business community, for if you look around, you will appreciate the value of strong committed governments who do not spring surprises on you," he said.

He said: "Your appreciation of our political agenda will contribute towards stability which in turn will benefit you."

Elaborating on the previous Industrial Master Plan, the Prime Minister said its strategy, which emphasised on labour-intensive export-oriented manufacturing activities, was very successful to the extent that Malaysia was now forced to rely on foreign labour due to an acute shortage of labour.

"We should really have adjusted quickly, at the first signs...but we allowed ourselves to be influenced by the need of investors, who still want to operate labour-intensive industries," he said.

Dr. Mahathir said Malaysia has decided to go into engineering, in particular automotive engineering, telecommunications and information technology industries, as well as focus on small and medium scale industries.

Ultimately, the aim is to progress beyond supplying the need for components by the major industries but also produce high quality components and even finished products for the export market.

Part of the strategy under IMP2 is the setting up of a new large automotive city with the capacity to produce a million cars, as well as clusters of supporting industries manufacturing components and parts

supplying the principal car manufacturer, other industries and exports.

On the telecommunications industry, he said the principal thrust would be in the Multimedia Super Corridor, where IT industries would be centred and operating from, thus giving a strong push for the manufacture of telecommunications equipment, electronics and Malaysian-branded household appliances.

Eight special areas have been identified, including telemedicine, smart schools, research and development clusters, application of multipurpose cards and electronic government to promote the development of the latest information-based industries.

While this would serve as a catalyst in developing IT-based industries, Dr. Mahathir reminded the industrial sector to preserve to adopt information and knowledge-driven processes in manufacturing and other related activities, in particular the application of IT for electronic commerce.

On its part, he said the government would continue to ensure adequate provision of quality infrastructure and other support facilities to facilitate their development including human resource development, research and development, indigenous technology development, improving incentives and administration delivery mechanism, as well as quality support services such as ports, business services, transport and packaging.

Dr. Mahathir also said the Malaysia Incorporate concept would continue to be emphasised as a major strategy for public-private sector cooperation in furthering the course of national development.

As for the private sector, they should not be only profit-motivated, but incorporate healthy business ethics to become good corporate citizens, demonstrating social responsibility as well.

Besides the industrial sector, he said the services sector, which was still very dependent on foreign parties, should also be efficient for its development was crucial for the economy.

The Prime Minister also highlighted the need for the domestic sector to generate more investments compared with their foreign counterparts, but said the latter would still be needed especially in the latest high technology sectors.

"We will continue to support foreign direct investments, but we will also give local investors a helping hand," he said, adding that ultimately, with all sectors pulling together, Malaysia would hopefully be a fully industrialised nation by the year 2020. -- BERNAMA

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