

06 MAY 1996
Mahathir-Plan
BETTER QUALITY OF LIFE FOCUS OF 7TH MALAYSIA PLAN

KUALA LUMPUR, May 6 (Bernama) -- The RM162 billion seventh five-year national development plan which calls for sustained eight per cent economic growth to propel Malaysia into the 21st century was tabled in Parliament today by Prime Minister Datuk Seri Dr Mahathir Mohamad.

With six plans over 30 years already completed, the focus of the Seventh Malaysia Plan (7MP) up to the year 2000 is more specific: improving further the quality of life through better health, education and housing for the population estimated to rise to 23 million by that year from the present 20 million.

In his speech which summarised the almost 800-page 7MP report and was telecast "live" over RTM, Dr Mahathir spoke of the stress on health as crucial in enhancing the quality of life.

He said major changes will also be introduced to improve the quality of education and build more suitable houses for the low and lower-middle income groups.

Another key priority is to achieve balanced development among states and regions in the country with government finances continuing to be managed prudently while the private sector will be required to play the lead role in economic growth as more public facilities will be privatised, he said.

The Prime Minister said the Malaysian economy will be made even more productivity and quality-driven through massive training programmes on skills and entrepreneurship with a faster shift to higher value-added, labour-saving and capital and technology intensive industries.

At the outset of tabling the plan, Dr Mahathir cautioned the people against taking the 7MP for granted.

"It would be a mistake to do so, for the five-year plans which our country has become accustomed to are crucial to the development of the nation. Indeed, the prosperity that we enjoy, the eight per cent growth, the ever-increasing incomes of everyone of us, including government employees, are essentially the outcome of these plans," he said.

He said many countries, including communist and socialist nations, planned their economy in five-year tranches but not many produced the desired results and some had failed. "Some are never really implemented, remaining entombed in beautifully bound volumes," he said.

"But in Malaysia we do not just plan. We implement them," he said.

While the five-year plans are drawn up by the Economic Planning Unit (EPU), the Implementation and Coordination Unit (ICU) oversees and implementation, reporting back to the government the progress and problems so that necessary changes and adjustments may be made in order to achieve the desired results.

He said of the RM162 billion allocation, the biggest slice of RM75 billion will come from the Non-Financial Public Enterprises, with another RM67.5 billion from the federal government, RM12 billion from state governments and RM7.9 billion from local governments and statutory authorities.

The total allocation makes up 11.5 per cent of the Gross National Product (GNP), down from 14.8 per cent in the Sixth Plan, reflecting the government's commitment to reduce the size and role of the public sector.

The federal government's allocation is to quicken the development of certain infrastructural facilities not suitable for privatisation and

increase the supply of human resources in technological and scientific fields.

Among the major government entities earmarked for privatisation during the 7MP are the Bakun hydro-electric dam project, Bank Bumiputra Malaysia Berhad, Bintulu Port, Kuantan Port, East Coast Highway, Perwaja Steel Berhad, Pos Malaysia Berhad and Malaysia Tourism Promotion Board.

Those expected to be corporatised include Bank Simpanan Nasional, government hospitals, Public Works Department and Sabah Electricity Board.

The Prime Minister spoke at length about improving the quality of life through better health, education and housing, saying that the quality of life depends on the lifestyles of the people.

"An expensive and beautiful house will not guarantee a good quality of life," said Dr Mahathir in explaining the rationale for various programmes and campaigns being launched to promote a healthy lifestyle.

He said considerable progress had been made in this area. In the previous plan period, he pointed out, life expectancy of Malaysian males and females increased to 69.3 years and 74 years in 1995 respectively, from 68.9 years and 73 years in 1990.

All urban households have electricity and about 92 per cent of rural households has access to electricity while 99 per cent of the urban and 83.5 per cent of the rural households have access to safe drinking water.

Dr Mahathir also said the government plans to privatise many of the health facilities, including hospital and specialist units, but some kind of subsidy will be worked out for the poor.

This will be done by introducing medical insurance and private medical treatment schemes.

"It is becoming more and more difficult for the government to provide free or nominally charged hospital treatment. This is not just because the cost has risen tremendously, but it is difficult to retain staff, whether doctors or nurses, at the low pay the government can offer.

"It is no good building hospitals which will have no one to staff it. In future, medical treatment provided at government hospitals must either be paid for through medical insurance or private medical treatment schemes."

He called on the private sector to build ordinary class private hospitals for the poorer people instead of only five-star ones which the majority of patients cannot afford.

The Prime Minister said doctors working in five-star hospitals should spend time in ordinary private hospitals where fees and charges should be low. He reminded them: "There must always be gratefulness and charity in our hearts".

Turning to education, Dr Mahathir said Malaysia's literacy rate increased to 91 per cent in 1995 from 85 per cent in 1985 as a result of expanded educational opportunities.

This is boosted by a near 100 per cent retention and completion rate at the primary school level and about 55 per cent of the labour force had undergone secondary education in 1995 compared with 52 per cent in 1990.

During the 7MP period, enrolment at the primary and secondary school levels in government and government-aided schools is expected to rise to 4.9 million in year 2000 from 4.4 million in 1995.

A total of 108,000 students are also expected to enter the labour market after completing the first degree from local public institutions.

The next five years is also expected to see 800,000 more houses, over 70 per cent of which are low and low-medium cost, being built compared with only 40.4 per cent for such houses during the previous plan period when a total of 647,500 units were completed.

The 7MP also envisages the use of more local labour to reduce the

dependence on foreign labour by getting more women to join the labour force, and employing retirees and handicapped persons for suitable jobs.

Malaysia is already home to an estimated one million foreign workers, mostly from Indonesia, Bangladesh and the Philippines.

Given the big number of women, especially housewives who have not been drawn into the workforce, the Employment Act 1955 is being amended to permit women to be gainfully employed as part-time workers.

"I would also like to encourage firms to facilitate greater entry of females into the labour force by adopting flexible work practices, such as career breaks, job sharing and flexi-time for full-time women workers. This family-friendly approach will provide women the flexibility they need to manage their time between work and family.

The Prime Minister said Malaysia has entered an important phase in its drive towards becoming a more industrialised economy.

With this, he said, the manufacturing sector, as the main engine of economic growth, will have to switch from relying on the limited local market to producing for the world market, as well as building and developing new modes of business networking with foreign markets and businessmen.

Malaysia will also pursue more actively strategies and programmes to further expand and upgrade small and medium-scale industries to support the larger industries. -- BERNAMA

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