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A special report

GUARD AGAINST COMPLACENCY, MSIANS TOLD

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KUALA LUMPUR, Aug 29 (Bernama) -- Malaysians celebrating the 39th. year of independence this Aug 31, must guard against complacency, for if left to take root, will doom what is surely now Malaysia's economic miracle.

Captains of industry, interviewed in conjunction with the National Day, agreed Malaysians must be vigilant and endeavour to sustain the fruits of the hard labour put in by our founding fathers and successive pragmatic leaders.

At the core of efforts should be to realise Prime Minister Datuk Seri Dr Mahathir Mohamad's Vision 2020 which undoubtedly is guiding the people by mobilising national resources towards success in the next 25 years or so.

Ultimately, the aim is to establish a prosperous society and an economy that is fully competitive, dynamic, robust and resilient, especially in a global arena filled with competition which is expected to get more fierce with time.

Economic advisor to the government, Tun Daim Zainuddin, said among pillars that must be in place are measures to generate high savings as the expansion of productive capacity depends on high investments.

Having once said "every sen saved is every sen gained", the former finance minister rightfully pointed out that only through high savings could domestic funds be mobilised to complement foreign direct investment and finance the implementation of projects as well as participate in opportunities for investment on a global scale.

Daim added that whatever measures taken must take into cognizance the increased globalisation of the world's economy and the need to enhance competitiveness.

Malaysia has always taken a far more liberal stance than many countries on matters of trade and investment, and greater liberalisation would augur well for its export-led economy.

"With greater access to world markets, Malaysia would be able to increase its market share and participate meaningfully in the global economy," he added.

Daim pointed out Malaysia does not seek to duplicate others, but aims to develop fully in its own mould of success in all aspects -- economically, politically, socially, spiritually, psychologically and culturally.

The pitfall that must be avoided is viewing development in purely economic terms, which means distributional objectives should not be neglected and that all sections of society as well as all regions of the country benefit from the nation's rapid development.

Daim also said Malaysia should, at all costs, avoid complacency and the belief that high growth is here to stay, for the need to keep abreast with the latest changes in technology, particularly information technology is essential.

Proton-DRB chairman, Tan Sri Yahaya Ahmad said since the proclamation of Vision 2020, the challenge is for Malaysia to achieve an annual growth rate of not less than seven percent until the year 2020.

"The challenge is to manage and maintain a strong economic growth successfully while preserving price stability as well as achieve greater coherence between human resources and technology development and to dynamically transform it towards productivity and quality," he said.

While calling for efficiency of skilled labour and capital, Yahaya concurred with Daim that equitable distribution of wealth should be enhanced for it is a fundamental requirement for socio-economic and political stability.

However, he pointed out that one sector that the government must continuously develop is the services sector as it estimated to contribute about 60 percent of the Gross National Product of Asia Pacific Economic Cooperation (Apec) countries.

He said the importance of the services sector, which included banking and finance, tourism, all modes of transportation and educational services, to the economic growth of both developed and developing countries, was ever increasing.

"The surpluses in the trade account cannot help to balance the deficit in the services account, resulting in an increasing current account deficit of our balance of payments.

It is therefore pertinent for us to support the government in nurturing and developing a modern and dynamic services sector to enable it not only to be a major catalyst for growth but also a potential for export in international trade.

As for Proton, Yahaya said the company was emphasising greater capital and technology intensive production processes which would enhance competitiveness and greater efficiency.

"The automotive production within the group would continue to strive for the benefits of economies of scale, and among others, our production would be export-driven," he added.

Chairman of Land and General Bhd, Tan Sri Wan Azmi Wan Hamzah said Vision 2020 has resulted in creating a truly national objective or target that every Malaysian, irrespective of ethnicity or religion, can sign on.

"However, I see the principal challenge facing Malaysia as the country treads towards this vision, is elevating productivity. The human resource side requires enhancement in terms of skills, technology awareness and mind-sets.

"In the medium term, there ought to be a more brutal approach to industrial re-structuring where industries that are no longer relevant and are not likely to remain relevant should be forced out.

"The sooner this is achieved, the better," he added.

Asked about the pitfall that Malaysia must avoid Wan Azmi said:

"Hubris. All of us must be acutely aware that we all have to run very fast just to stay in the same place.

Pernas International Holdings Bhd (PIHB) Group Vice-President Datuk Haji Ahmad Sidek said Malaysians must remain on-guard against over emphasis on materialism and be prudent in spending.

"We have to become an input driven society based on technology. We need to develop our own indigenous technology by investing in education and skills development," he said.

DCB Sakura Bankers Bhd Assistant Manager B.Ravindrasingam, said Malaysia needed to ensure an average growth rate of eight percent until the year 2020 to realise the goals of Vision 2020.

"Hence, local investors have to invest abroad in emerging markets like China, India and Vietnam. We cannot remain complacent or depend on the domestic market," he said.

Ravindrasingam also said the outlook for the finance sector remained positive on the back of Malaysia's booming economy. -- BERNAMA

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