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REAX: MIA SAYS PLAN GOOD FOR CAPITAL MARKET

KUALA LUMPUR, May 6 (Bernama) -- The Malaysian Investors' Association (MIA) hails the Seventh Malaysia Plan as being good for the capital market as it will see strong growth in terms of listed companies with more privatised companies in view that it calls for more privatisation and corporatisations.

Its president, Dr. PHS Lim, told Bernama here today the five-year development plan calls for a more orderly growth of the capital market with more listings of infrastructure projects under the guidelines introduced recently.

Commenting on the plan unveiled by Prime Minister Datuk Seri Dr. Mahathir Mohamad in Parliament, he said it also calls for a better regulatory network, adding that "Malaysia will be more affluent and richer under the plan with a projected per capita income of RM14,788.

Overall, he said, the plan encompassing the 1996-2000 period was a good strategy for Malaysia to achieve a better balance of growth with the aim of lowering the current account deficit and stabilising prices to combat inflation.

He commended the government for now seriously taking the right steps to arrest the current account deficit, which in 1995 totalled RM17.8 billion. The plan envisages the deficit would be reversed by the year 2000.

However, Dr. Lim cautioned the deficit could not be changed overnight and Malaysia might have to face this deficit for many more years until towards the end of the plan.

On the projected growth of 2.4 percent for agriculture under the plan, he said Malaysia should instead pursue a higher growth target, of 4.0 percent, as it would curb Malaysia's large food imports and ease inflationary pressures.

He said the country imports a large volume of fish, vegetables, fruits and other edible items.

Even highly industrialised countries like the United States, the United Kingdom and France still placed agriculture as having an important role to play, he said, adding that "agricultural activities have their strategic role in modern societies."

Dr. Lim also said that Malaysia has to be more productive and competitive as trade and industry were getting more and more globalised with the World Trade Organization working towards lower tariffs and duties in a bid to further liberalise world trade.

On the emphasis of technical training and education via more technical schools and universities to meet the international challenges of the next century, he said that "Malaysia badly needs more technocrats." -- BERNAMA

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