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REAX: ECONOMISTS COMMEND SEVENTH MALAYSIA PLAN

KUALA LUMPUR, May 6 (Bernama) -- The Seventh Malaysia Plan, tabled in Parliament here today, was seen by economists as the right move in addressing "economic concern" brought about by Malaysia's rapid growth rate over the last few years.

Dr. Zainal Aznam, deputy director general (economics) of the Institute of Strategic and International Studies, felt that the strategies outlined in the plan covered the many issues faced by the country over the last few years.

At the same time, the Seventh Plan was in the right track to achieve sustainable growth of eight percent per annum for the period 1996 to 2000, he told Bernama when contacted here today.

Senior fellow of the Institute of Islamic Understanding Malaysia, Nik Mustapha Nik Hassan in commending the plan, said the various strategies were apt in raising productivity and efficiency of the manufacturing sector to be at par, if not better, than other countries.

The plan was also in the right direction to reduce dependency on foreign labour and to maximise utilisation of the domestic labour force by opening the door to females for greater participation in the economy, he added.

Nik Mustapha made this point based on the government's present revision of the Employment Act 1995, and a suggestion by Prime Minister Datuk Seri Dr Mahathir Mohamad for firms to adopt flexible work practices.

Commenting on the Sixth Malaysia Plan (1990-1995), Dr Zainal expressed his concern over the widening disparity of income distribution among the different ethnics as well as between rural and urban dwellers.

The Bumiputera mean household grew at an average rate of 9.3 per annum, but the Chinese and Indians were growing faster, at 10.0 percent and 10.1 percent respectively, he said.

On rural and urban household income which grew at 5.3 percent and 8.3 percent respectively, Dr Zainal added it was unfortunate that the relatively rapid growth of over eight percent per year was followed by a wider income disparity.

To Nik Mustapha, this inequality of income distribution could be reduced by providing more economic opportunities, especially for the lower level of society, as well as provision of basic facilities for all, for instance education.

He said raising the level of literacy and providing better opportunities from privatisation would not only reduce poverty but would also act as a stimulus for greater growth in the long term.

On the Seventh Plan's thrust for the industries continued transition to capital intensive from labour intensive, Dr Zainal said the private sector could respond by taking in more machineries at their existing, as well as new plants.

He also stressed on the need for better training, for more skilled labour as well as greater utilisation of automation. -- BERNAMA

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