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REAX: FMM SAYS IMPLEMENTATION VITAL TO ACHIEVE PLAN'S TARGETS

KUALA LUMPUR, May 6 (Bernama) -- The Federation of Malaysian Manufacturers (FMM) today lauded the strategies to sustain the nation's economic growth under the Seventh Malaysia Plan, but says its effective implementation is all-important to ensure the plan's success.

Its chief executive officer Tan Keok Yin told Bernama that crucial to this would be for the private and public sectors to continue to work together in carrying out the strategies, including skills development, laid down by the government as well as in enhancing Malaysia's industrial competitiveness.

On its part, FMM would continue to work closely with the government in preparing local manufacturers to absorb new technologies and brace themselves for challenges in the international arena, he said.

Tan, commenting on the Seventh Malaysia Plan tabled in Parliament by Prime Minister Datuk Dr Mahathir Mohamad today, said a different dimension for industries under the plan was to go for large-scale production.

"To do that, we need to strengthen Malaysia's industrial sector, both, in terms of financial and technical capability... which means looking at the support system to ensure industries have both forward and backward linkages," he added.

He said, however, local industries were still operating on a marginal basis, which was why it was necessary for a back-up system for them to go for volume as well as enhance their marketing skills on a global scale.

"What is important is for such support systems to nurture Malaysia's very own multinationals," he said, adding that local multinationals should one day be able to sub-contract the manufacture of their products overseas.

To this end, he said, the Small and Medium Scale Industries (SMI) Corporation would have a vital role to play in enabling SMIs to upgrade and emerge as the nucleus for the large-scale export-oriented industries.

Turning to transfer of technology, he said it was important for Malaysian companies, as recipients, to be able to absorb new and high technologies from foreign investors by investing in trained and skilled personnel.

To a certain extent "we are still dependent on foreign technologies, which is why it is imperative that we develop indigenous technologies through greater investment in research and development and science and technology," he added.

On the government's target of having 60 percent domestic investment and 40 percent foreign investment by the end of the plan period, Tan said: "Malaysia cannot continue its dependence on foreign investments."

He said developing home-grown industries was vital, more so, given the increasing global competition for foreign direct investment.

As for the manufacturing sector, targeted to make up 38 percent of the Gross Domestic Product by the year 2000, he said it was also important to expand the services sector to complement manufacturing activities, which would contribute towards developing an integrated manufacturing structure.

While the government has laid down well-formulated strategies, the onus was on the private sector to exploit them to the fullest advantage. "They have to act," said Tan. -- BERNAMA

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