

28 NOV 1996

IMP: QUALITY, KEY TO SUSTAINING MSIA'S INDUSTRIALISATION, SAYS PM

KUALA LUMPUR, Nov 28 (Bernama) -- The ability to sustain Malaysia's industrial drive will depend greatly on the ability to continuously improve the quality of its products and services, Datuk Seri Dr Mahathir Mohamad said today.

Describing quality as "the cutting edge of the future," the prime minister added that efforts must be intensified to promote Malaysia as a quality producer of goods and services globally.

In his message in the report of the Second Industrial Master Plan (IMP2) which he launched this evening, he said the stress on productivity and global competitiveness would become more pronounced as Malaysia advanced to realise her long-term goal of developed nation status by the year 2020.

The next phase of Malaysia's industrialisation drive, taking the country into the next millenium, would have to be more innovative given the new challenges and opportunities at the domestic and international levels, he added.

The launching of the IMP2, covering the period 1996-2005, was testimony to the government's commitment to propel Malaysia to become a fully developed industrial nation, Dr Mahathir said.

The successful implementation of IMP2 by the year 2005, which would coincide with the mid-term of Vision 2020, was critical in realising the vision.

He said the transformation of Malaysia into a developed nation would necessitate acceleration towards production of high value-added products, reflecting a higher degree of capital and technological utilisation, efficient use of human resources as well as intensive use of knowledge and information in production processes.

"A deliberate shift towards competitive advantage and productivity-driven growth would in turn require concerted efforts in accelerating technological advancement, innovation and indigenous technological capability, availability of adequate supply of quality human resources, critical economic infrastructure and support services," he added.

Excelling in quality would require significant investment in research and development (R&D), Dr Mahathir said, adding that it was imperative for Malaysian companies to intensify their R&D activities.

He also said efforts to strive for quality should not be traded-off with concern for the environment as an ecologically balanced development was crucial to achieve sustainable development of the Malaysian manufacturing sector and the economy.

Efforts should also focus on developing environmentally friendly production processes and technologies, he added.

He said the development programmes envisaged by the IMP2 were aimed at meeting the requirements as expeditiously as possible through higher levels of training of skilled manpower, technology acquisition and adaptation, a more flexible business environment as well as providing advanced and quality infrastructure.

Small and medium industries (SMIs), he said, would be crucial in increasing the Malaysian content of the industrialisation process and developing competitive SMIs with a global orientation and world class operation structure was imperative to sustainable and resilient growth of

the manufacturing sector.

Dr Mahathir said that while Malaysia's industrialisation drive would continue to be private sector and market driven, the government would continue to provide the leadership, policy direction and guidance as well as an attractive investment climate.

The existing cordial government-private sector collaboration and partnership would continue to be fostered as it was among the critical factors for Malaysia to advance into the next decade.

Meanwhile, Minister of International Trade and Industry Datuk Seri Rafidah Aziz said the IMP2 emphasised the importance of improved requisite economic foundation as well as creating export-oriented Malaysian manufacturing companies which not only support development of domestic industries but also nurture export-oriented ones

She added in the foreword of the report that the IMP2 called for the development of an integrated industry-wide vision, embracing both manufacturing and business support services.

This "Manufacturing ++" orientation emphasised productivity-driven growth which involved moving beyond a focus on manufacturing operations to include strengthening industrial linkages and enhancing value-added through full integration of activities along the value chain to include R & D and design capabilities, development of integrated supporting industries and packaging, distribution and marketing.

"The Manufacturing ++ strategy for Malaysia will entail not only moving along the entire value chain but, more importantly, will place emphasis on productivity-driven growth that will shift the entire value chain upwards such that value-added per employee improves to a higher plane for all activities along the manufacturing value chain," Rafidah said.

The IMP2 would also adopt the cluster-based industrial approach to provide the basis for a more cohesive and integrated framework for industrial development as well as analysing industrial performance, she added.

The IMP2 would be implemented on a rolling plan basis and a continuous review of its forecasts and focus would ensure that development of the manufacturing sector was able to adapt and respond promptly to the changing domestic and global environment.

She said the sector, which would continue to be the engine for growth, was projected to see its share of Gross Domestic Product reaching 38.4 percent by 2005 with an annual average growth rate of 10.7 percent in the first half of the period and 8.3 percent in the second half. -- BERNAMA

LKC LDB