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Umno-Motion (Economy)

CURRENCY DEPRECIATION PART OF THE CHALLENGES TO VISION 2020

KUALA LUMPUR, Sept 7 (Bernama) -- The currency and share market crisis which the country is facing is part of the challenges which Malaysians have to face to achieve the objectives of Vision 2020 to become a developed nation by that year, the Umno general assembly here was told today.

The Sabah delegate, Ali Asgar Basri, said there were many more challenges to be met within this period and the people must be prepared for them.

Malaysia, blessed with good economic factors, was further assisted by the political stability which formed the axis for more rapid economic development in future, he said when seconding the motion on economy at the assembly here.

The motion, tabled by Pahang delegate Datuk Dr Jamaluddin Jarjis yesterday calls on the government to adopt a more creative and proactive approach in facing the economic challenges which are becoming more liberal and global, to ensure that the bumiputeras are not side-tracked.

Ali Asgar said the people need not be unduly worried about the current developments because the government had taken short- and long-term measures to overcome them.

"What is important is the support of all the people for the leaders in tackling the problems," he said.

He said the western countries were jealous of Malaysia's economic stability and feared that it would become a developed nation in its own right in 2020 and be used as a model by countries in the region.

Umno Youth representative Abdul Azim Mohamad Zabidi, when debating the motion, asked the government to give priority to Malay companies in the Multimedia Super Corridor (MSC) downstream industries so that they too could enjoy the benefits from foreign investments in the area.

He said the government should also review the policy on efforts to enhance the economy of the bumiputeras because the economic opportunities were still not fairly distributed.

Hamzah Zainuddin, from Perak, regretted that there were local entrepreneurs who abetted foreign rogue speculators to "attack" the Ringgit.

"Perak wants such people severely punished," he said to applause from the delegates and observers.

However, he said, the national leaders, especially Prime Minister Datuk Seri Dr Mahathir Mohamad could counter such attacks.

Dr Mahathir's wisdom had received recognition from economic leaders in the region, he said, referring to a report in the latest issue of Aisa Magazine which quoted a Thai economist as saying that Thailand need not borrow from the international Monetary Fund to overcome its economic crisis and would instead be glad if it could borrow Dr Mahathir for a few months.

Hence, he rapped those who had criticised Dr Mahathir for his efforts to resolve the country's economic problems.

Perlis delegate Hashim Ahmad proposed that the government set up more Mara activity centres to train skilled and semi-skilled workers and to ensure that development in Perlis was on par with that of the other states.

Saifuddin Nasution Ismail, the Kedah delegate, urged all the national leaders to rally behind Dr Mahathir to arrange strategies to counter any future attacks on the country's economy.

He said a mechanism must be set up to act as a radar to detect likely

attacks from outside forces, especially the super powers, on the country's economy and currency.

The Kelantan delegate, Kamaruddin Mohamed Nor, proposed that the government encourage the setting up of more venture capital companies to meet the capital needs of new bumiputera entrepreneurs and channel foreign investments to joint ventures to bring capital to Malaysia.

The new bumiputera entrepreneurs who were former salaried workers could not afford the capital although they had the skills and technology, he said.

Kelantan also proposed the setting up of a national real estate corporation, Permodalan Hartanah Nasional, modelled after Permodalan Nasional Berhad, to bring together bumiputera-owned land with potential for development, especially in the Klang Valley, to ensure that the bumiputeras' purchasing and holding power was lost.

The corporation could set up a unit trust scheme to sell the shares to bumiputeras and in 20 or 30 years the bumiputeras would be able to apply to buy and develop the land, he said.

Kamaruddin, who recently won the Semerak state by-election, also called on the government to extend the vendor scheme, establish a network among bumiputera entrepreneurs and research centres and tertiary institutions and privatise or allow the management buy out of government-owned companies to enlarge the bumiputera middle class.

Negeri Sembilan delegate Firdaus Harun said only six per cent of the shophouses in the Klang Valley were owned by bumiputeras.

He wanted UDA Holdings Sdn Bhd to provide an allocation of RM500million to RM1 billion to buy lots not taken up by bumiputeras and rent them to bumiputeras until they could afford to buy them.

He also suggested the setting up of an entrepreneur development centre in every state and district to speed up bumiputera participation in trade and commerce.

Idris Mamat, from Terengganu, urged the government to build an international airport for the eastern region of the peninsula to strengthen the rural economy.

He also suggested that more tertiary institutions be built to produce more bumiputeras in science and technology and that all federal and state agencies abide by the New Economic Policy in the recruitment of staff and the award of service contracts.

Johor's Haji Ismail Kamari said Malaysia had enjoyed commendable economic and social justice for the last 40 years since achieving independence due to the political stability and the commitment of its leaders but the income gap between the communities was widening.

He said the Malays did not want to stop others from enjoying the country's prosperity but wanted to ensure that the Malay were not left behind and were able to compete in a liberalised economy.

He said a study must be conducted on how far the privatisation policy was able to balance the distribution of income and the formation of the Malay middle class.

The Pulau Pinang delegate, Dr Nungsari Ahmad Radzi wanted economic development to be viewed in a wider perspective and not only gauged based on the gross domestic product (GDP).

It should take into account the social reality that there were still many Malays who were still lagging, who toiled from morning till dusk and yet were unable to own a house, he said.

He said building a Malay middle class through education was more effective than through producing entrepreneurs.

The Melaka delegate, Mustazah Osman, said entrepreneurs and corporate leaders who had succeeded through Umno's efforts should contribute five per

cent of their income to set up a fund to train and help new entrepreneurs.

He also proposed that the annual bonus of government and private sector employees be given in the form of shares to encourage the people to save and to contain inflation.

The motion was later passed. -- BERNAMA

HT RON JK