

30/04/1997

The race has just begun, PM warns (HL)

ALL economic growth targets set out under Vision 2020 have been met or surpassed six years after Datuk Seri Dr Mahathir Mohamad unveiled the blueprint to put Malaysia among the ranks of developed nations, but the Prime Minister warns against letting the economy take its own course.

"The race to our economic future has only just begun in earnest," he said at the Vision 2020 National Congress in Petaling Jaya yesterday.

Dr Mahathir, who launched the vision on February 28 1991, said during the first six years of the Vision, the gross domestic product (GDP) grew at an average of 8.6 per cent a year, higher than the targeted 7 per cent. The economy has also enjoyed more than full employment.

Manufacturing now contributes over 80 per cent to exports and provides 34 per cent of all jobs. In this sense, Dr Mahathir said: "We have indeed become an industrialised nation".

Wealth has not just trickled down, he noted, "but has spread and permeated every stratum of the society that poverty has been almost completely eradicated and incomes increased for all".

Without having to resort to industrial action, wages have risen, doubled or more in many cases. Even more remarkable, he said, is the low rate of inflation which has meant better purchasing power without increases in cost and lowering of competitiveness.

"Economically, we have done well indeed, better even than our vision," he told Cabinet ministers, chief ministers, government officials, corporate leaders and foreign dignitaries attending the two-day congress.

Having succeeded so well, so fast and so resoundingly, "this is not the time to falter, to call a halt," Dr Mahathir said. "Now is not the time to stop our massive economic momentum."

He said Malaysians must not lie back and let the economy take its course.

"To continue growing we must be constantly vigilant and alert to the changes taking place around us. We are now moving into the post-Industrial Age.

"We are in fact shifting from the industrial society into a borderless Information Age, a globalised economy where borders can no longer protect us from the predatory economies of the world."

From now, Dr Mahathir said, Malaysians must proceed "with even greater tenacity, with even greater creativity, with even greater effectiveness", to eradicate absolute poverty absolutely; ensure a fair and equitable distribution of the wealth of the nation; ensure full partnership in economic progress; and ensure a society where there no longer will be identification of race with economic function or with economic backwardness.

Malaysians must also remain committed to ensure very rapid and sustainable growth; and guarantee an economy that is fully competitive, dynamic, robust and resilient.

He said the strategy to remain competitive is "really quite simple".

"We want to keep our cost low without sacrificing the standard of living of our people, which must rise as we grow. That way we will remain competitive."

The first essential, he added, is to contain inflation. "We have to continue controlling the prices of essential goods. We oversee pricing generally in order that the so-called unavoidable increases are truly

unavoidable and kept to the minimum.

"But the next important thing is to increase wages only on the basis of an increase in productivity. Whether the productivity is due to the effort of the employees or to the improvement in the method of production or increases in capital, the workers are entitled to an increase in wages commensurate with the rise in productivity."

Dr Mahathir said in many developed countries, incomes have been allowed to increase without increase in productivity, resulting in widespread unemployment and regression of the economy. Fortunately for them, they have assets such as a rich domestic market, technology and access to huge capital and skilled manpower.

"We do not have any of these. If we adopt their profligate ways, we will regress economically.

"I am sorry to be belabouring this but far too many people are fond of having more money without thinking of what the money can buy".

Dr Mahathir also reminded Malaysians that from the beginning, Vision 2020 is not merely about growth in the economic sense.

The people should not forget the political agenda set out in Vision 2020: a united Malaysian nation and a developed and mature democratic society.

It is also important that Malaysians resolve to take giant steps towards the social agenda, towards ensuring a fully caring society and a caring culture founded on a strong and resilient family system.

Particularly pressing is the need to ensure the correct balance between material and spiritual development.

"We must make sure we do not fall into the dark hole that many countries which are called `developed' have fallen into. We do not want to be a wasteful consumer society where unbridled materialism runs riot."

(END)