

Vision 2020 target on track

S 26.12.98

28

'MSC the new engine of growth'

By LESLIE LAU

CYBERJAYA: Vision 2020, the nation's objective of attaining developed country status, remains intact despite the economic downturn, Datuk Seri Dr Mahathir Mohamad said yesterday.

The Prime Minister said the country's record growth rate in the last 10 years would "take up the slack" of the slower growth rate now.

"What we need to attain developed country status is to maintain an average of 7% growth for 30 years.

"But we were actually ahead of schedule because we achieved up to 8% growth for many years so there is not much to catch up," Dr Mahathir told reporters after attending the topping-up ceremony of Japan's Nippon Telegraph and Telephone Corporation's MSC research and development centre here.

He said Malaysia could still catch up even if the downturn lasted for three years.

However, Dr Mahathir said that because the manufacturing sector's contribution to the country's gross domestic product was expected to peak at around 38% by 2005, a new engine of growth was needed for the economy.

"Malaysia regards the MSC as the next engine of growth to leapfrog the country into the information age."

He added that this was based on the premise that a thriving information technology and multimedia industry would bring new added value to the economy and fuel productivity in other sectors.

While conceding that recent developments had made affordability a key issue, Dr Mahathir reiterated Malaysia's commitment to the MSC, adding that adequate resources would be channelled into developing Cyberjaya into a multimedia haven.

On Japan's role in spearheading a regional economic recovery, Dr Mahathir said Japan's prosperity would inevitably lead to opportunities for the region.

However, Dr Mahathir said Malaysia was aware that the economy's destiny "lies largely in the hands of Malaysians" and there was a necessity to focus on key objectives to lay the foundation for sustainable growth.

One such objective, he said, was to develop a cluster of homegrown small- and medium-scale enterprises which could evolve into world-class information technology companies.