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PM: Vision 2020 still intact despite economic problems

Ramlan Said

CYBERJAYA, Sat. - Datuk Seri Dr Mahathir Mohamad said today Malaysia's overall vision of attaining developed nation status by 2020 remains intact despite the economic crisis.

He said the economic problems might have slowed down efforts to realise the vision but gave the assurance that Malaysia would continue to invest in priority sectors to ensure sustainable growth, like in information technology and multimedia industry.

Given the expectation that the manufacturing sector's contribution to the Gross Domestic Product (GDP) would peak at around 38 per cent by 2005, the Prime Minister said the country needed a new engine of economic growth.

"Based on the premise that a thriving IT and multimedia industry will bring new added value to our economy, besides fuelling productivity in other economic sectors, the Multimedia Super Corridor is now regarded as the next engine of growth to leapfrog the country into the information age."

Dr Mahathir was speaking at the topping-up ceremony for the Nippon Telegraph and Telephone Corporation's MSC centre.

He said Malaysia was aware that the destiny of its economy depended largely on its people, thus the decision to continue to invest in priority sectors.

"In consonance with our vision of making the MSC as the next engine of growth, I would like to reiterate that this initiative will continue to be given priority."

While recent developments would make affordability a necessary criterion, Dr Mahathir said adequate resources would be given for the implementation of MSC programmes and for developing Cyberjaya into a multimedia haven.

He said Malaysia also needed to focus on key objectives to lay the foundations for future sustainable growth, and one of this was to develop a cluster of home-grown small and medium enterprises which could evolve into world class companies.

Others included the development of a system to facilitate the flow of venture capital and management assistance to start up companies in the MSC and mutual beneficial partnerships with world class companies.

On the NTT MSC centre, the Prime Minister said the topping-up ceremony was a milestone in the development of Cyberjaya and MSC as it marked a critical step forward for the project since it commemorated major progress in the physical completion of the first research and development centre by a global web shaper.

"It also symbolises a vote of confidence by the world's largest telecoms company in the MSC and indeed in Malaysia."

Dr Mahathir said NTT's contribution in the MSC was also a microcosm of the wider co-operation developing among Asian countries, which had become all the more important in these turbulent times.

"For many years, Japan has been the locomotive pulling along the tiger economies of Asia to prosperity, and with the ongoing economic downturn in the region, its role becomes even more crucial."

Later at a Press conference, Dr Mahathir said Malaysia was confident that Vision 2020 would be attained as its growth in the past eight years was higher than required to achieve developed nation status.

"We have had eight years of very high growth, more than eight per cent, sometimes nine per cent. What we need in order to achieve Vision 2020 is to go at an average of seven per cent a year over a period of 30 years.

"It means we are actually ahead in terms of growth. So now even if there is lower growth for several years, we have already taken up the slack before because of the high growth," he said.

To a question on the country's small and medium IT enterprises whose number he had earlier described in his speech as unimpressive compared to countries of comparable size like Taiwan and Ireland, Dr Mahathir said this was because not many people had gone into it.

He was confident that there would be greater participation once people realised the potential.

On whether the economic slowdown had affected the commitment of companies to the MSC, Dr Mahathir said foreign companies were not affected as they had adequate capital.

The Prime Minister was later interviewed by Kenichi Ohmae, a member of the MSC International Advisory Panel for a documentary on MSC and Malaysia.

It will be aired on Business Breakthrough, a Japanese TV station and Tokyo's Channel 12 in its programme called Reconstruction of Japan, hosted by Ohmae.

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