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A vision of its own

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KEDAH Darul Aman is definitely a place to watch. It is a state with a mission - to become fully developed by 2010. And that requires an average annual growth of 7.5 to 8 per cent for the next 10 years or so. To fuel such an expansion, Kedah needs foreign businesses to inject at least RM10 billion over the same period. Says Menteri Besar Datuk Seri Syed Razak Syed Zaid, 'This is our focus - to go out and bring in investments.'

If this sounds like a tall order, one should consider the state's track record for reinventing itself. Two decades ago, Kedah was plodding along on an agro-based economy traditionally dominated by rice cultivation. This had earned the state the enduring nickname of "Rice Bowl of the Nation". But it was also a big factor in Kedah's lethargic development rate.

Its 1980 Gross Domestic Product (GDP) was RM2.35 billion as compared with the national figure of RM44.5 billion. Taking into account Kedah's size, population and natural resources, its contribution was disproportionate.

The reasons for this were painfully clear. With tracts of land used for growing rice, there was limited room for other economic activities. A large slice of the population were in rural areas, thus slowing down efforts to bring progress to the state; in 1981, Kedah had 80,000 hardcore poor families.

In the 1980's, the authorities decided that more must be done to stimulate the state's other sectors. The impetus was obvious - Kedah had a slim chance of prospering if it continued to be dependent on rice. Industrialisation was identified as the main engine of growth because of its multiplier effect, high employment of capital and labour, export potential, and ability to develop local technology and skills.

The state's initiatives to promote industry centred upon the provision of basic facilities. This made Kedah more attractive to investors and the balance shifted. In 1980, agriculture, forestry and fishing accounted for 54 per cent of the state's GDP, while the manufacturing sector's contribution was 8 per cent. Ten years later, manufacturing represented 21 per cent of the state's economy. Agriculture, forestry and fishing's share of the pie receded to 35 per cent.

To keep up with the changing times, the strategy was widened and refined to shape the state's next phase of development. The new blueprint, called the Kedah Development Action Plan (KDAP), was finetuned in response to the challenges issued by Prime Minister Datuk Seri Dr Mahathir Mohamad through Vision 2020, which outlines Malaysia's aspirations to become a fully developed nation politically, socially and economically by 2020.

The United Nations Development Programme and the Economic Planning Unit of the Prime Minister's Department helped the State Economic Planning Unit to draw up the KDAP. The action plan maps out how Kedah can achieve high economic growth and reduce regional imbalances. The idea is to promote and strengthen fast-growing economic sectors.

The plan distils into a three-prong approach. Industrialisation continues to drive Kedah's growth - manufacturing still boasts the most rapid growth - but the state now has two other priority areas, namely, tourism and commercial agriculture.

These days, the industrialisation process has larger and more sophisticated targets. Kedah is ready for high-technology, value-added and capital-intensive industries. It also seeks greater foreign participation

in the sector. Accordingly, the KDAP envisions local and foreign companies making the state their regional operation and profit centres or regional manufacturing centres. The action plan also recommends that Kedah be developed into a major player in high-technology fields. A vital component is the Kulim Hi-Tech Park, an industrial estate geared for high-technology and research and development.

'The emphasis is on technology, not on operations which need 3,000 or 4,000 workers,' Syed Razak explains. 'We want to attract certain value-added industries. And these come with high investments.' To support this, Kedah can offer investors good infrastructure, an array of choices for locating their factories and an able workforce.

Kedah has some clear advantages in tourism as well. To start with, it is believed to be Malaysia's oldest state. This endows it with a list of historical and heritage attractions. Mother Nature too has been kind to Kedah. Langkawi is certainly the most famous of the state's tourist magnets, but there are many other spots for nature-lovers, such as Pedu Lake and Gunung Jerai. And there is significant tourist appeal in the fact that Kedah is the home state of two of Malaysia's Prime Ministers - Tunku Abdul Rahman Putra Al-Haj and Datuk Seri Dr Mahathir Mohamad.

Such variety translates into a feast of opportunities. Tourism is an increasingly important money-spinner for Kedah. The basic strategy is to rely on Langkawi as the chief attraction, while mainland Kedah is offered as a supplementary destination and as a gateway. As this sector grows, there will be more avenues for foreign and local investments. Particularly appropriate are projects to improve tourist services and facilities such as hotels, camping grounds, golf courses and theme parks. New niche markets (for example, eco-tourism and agro-tourism) are also promising. In this area, perhaps the most important task for the authorities is to ensure that the marketing efforts are co-ordinated and executed well.

While agriculture in Kedah is no longer dominant, the aim now is to modernise and commercialise the sector in line with the National Agriculture Policy. Syed Razak expresses hope that the state will eventually export vegetables, fruits and meat. There is no shortage of ideas and measures to push Kedah in this direction. For example, the federal government will set up an agriculture college in the state. In addition, Kedah has signed a memorandum of understanding with the federal government to develop a Permanent Food Production Park in the state. This is to set aside a permanent agriculture production zone which can be leased at low rates to entrepreneurs and companies.

The KDAP also covers poverty eradication by stressing the creation of jobs, improvement of welfare programmes and raising the standard of living in under-developed areas. 'We don't only think about big projects. The needy are given equal emphasis,' Syed Razak points out. One way to address this issue is to locate industrial zones in rural areas. The action plan also proposes programmes to improve the education of the rural population and to involve them in the leading economic sectors.

In this respect, another encouraging development is the recent announcement that the Kedah Regional Development Authority, a state agency with a pivotal role in helping the hardcore poor, will continue operating for another five to 10 years. Initially, the authority was supposed to shut down next year.

Even as the government machinery picks up speed to fulfil the KDAP's objectives, Kedah takes on a fresh challenge. The state leadership has boldly raised the bar by making it known that Kedah wants to be fully developed by 2010. Syed Razak explains, 'The national aspiration is for Malaysia to be a fully developed nation by 2020. But we hope to get there earlier. We want to be a role model for the other states.' He likens this

to how Langkawi, once one of Kedah's poorest districts, has risen to become a shining example of tourism development in Malaysia. Similarly, he wants Kedah to lead the way to realising Vision 2020.

The resolve to make this happen was reflected in a seminar held in November in Gurun, Kedah. Senior civil servants, corporate figures, professionals and academicians (many of them Kedahans) met for three days to discuss how Kedah can meet the target. The exchange of ideas will become the foundation for the Kedah Development Action Plan II (2001-2010).

At the time of writing, the KDAP II is not out yet, but it is likely that it will revolve around the need to adapt to the knowledge economy or k-economy. More precisely, the state will have to find ways to be among the first to vault into the k-economy. Major issues will include education, information and communications technology, and changing the state's industrial profile.

What is certain is that drawing investments to Kedah will still be a priority. The state's preparedness and willingness to make it easier for investors to carry out projects will be key factors. Which is why Syed Razak has consistently talked about the state government being people-friendly and business-friendly. 'Kedah is very serious about wooing investors,' he says. 'We want to cut the red tape. We want to make sure that all the agencies work together.' He adds that the people's support for the government's policies and decisions is a crucial element.

This approach is evident even in the high-powered State Executive Council meetings. Each fortnightly meeting will deliberate at least one business proposal. Also, the meeting venue shifts from one district to another so that the Exco members can see for themselves the extent of development throughout the state. Earlier this year, Syed Razak instructed that the telephone numbers of heads of departments, Exco members and State Assemblymen be made public to make it easier for people to get help with their problems or to air their views. It was reported that the Menteri Besar himself gets about 100 calls daily on his handphone. If Kedah succeeds in becoming a developed state by 2010, taking time to answer all those calls will be more than worthwhile.

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