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GDP growth may exceed target: Dr M (HL)

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PRIME Minister Datuk Seri Dr Mahathir Mohamad says Malaysia's gross domestic product (GDP) growth for 1999 may be higher than the 4.3 per cent forecast in the Budget 2000 tabled in October last year.

"We predicted at first 1 per cent GDP growth, and then in the aborted budget we predicted 4.3 per cent.

"There may be a possibility of achieving slightly more than that," he said.

Dr Mahathir was speaking at a press conference after officiating at the opening of Ericsson Mobile Communications Sdn Bhd's new plant in Shah Alam yesterday.

He was asked to give an indication of GDP growth for 1999.

The Budget 2000 was tabled by Finance Minister Tun Daim Zainuddin in October last year but before it was passed Parliament was dissolved to pave the way for Malaysia's 10th general elections.

The Budget will be retabled in Dewan Rakyat this Friday.

Asked whether there are any tax cuts not included earlier, the Prime Minister said: "This is the same budget. It is going to be re-read. There are no new things."

On suggestions that some foreign investors were waiting for Malaysia to ease its selective capital controls before investing in the country in a big way, Dr Mahathir said now is the time for them to come in when the ringgit is still cheap.

"If they wait until we revalue the ringgit they will have to pay more in foreign currency. But we have no plans to change the value of the ringgit, so they can come in now or later, it is all right," he added.

Malaysia could do with more foreign direct investment (FDI), but it is already doing quite well compared with other countries in the region, Dr Mahathir said.

According to the United Nations Conference on Trade and Development, FDI inflows have remained consistent, averaging about US\$4.52 billion (US\$1 = RM3.80) a year in 1995-98.

Earlier, Dr Mahathir said the launch of Ericsson's new plant is in keeping with the need for Malaysia to continue to modernise and increase productivity in its traditional areas of strength such as manufacturing.

"It also indicates that we must enhance our networking to develop the next engine of growth, one that is knowledge-driven," he said, adding that the Multimedia Super Corridor (MSC) project is designed to create new sources of wealth as well as improve national productivity and technological competitiveness.

"We have put in place a strategy and plan which, together with our proven implementation ability, leaves no doubt in my mind that Malaysians can achieve what is our next priority national objective - the MSC as the vehicle to transform our society into one which can compete internationally based on knowledge," Dr Mahathir said.

He said some MSC detractors have called Cyberjaya a ghost town, expecting an entire city to be built in a few months.

"In reality we have made considerable progress from the greenfield site acquired just in 1997. All the office space under construction or completed is already fully tenanted.

"We expect more than 100 MSC status companies to move into Cyberjaya by September 2000. We already have about 87 companies located there."

Indeed, the MSC project has met all the major milestones set for it. There are now 300 MSC status companies, including 34 web-shapers. Projected investments by these companies totalled RM3.4 billion in 1999 and jobs for over 14,000 knowledge workers are being created.

To help develop a culture in the MSC to support and nurture innovation, and draw Asian innovators back to the region, laws to allow for greater tolerance of business failure and risk-taking are on the cards.

"Venture capitalists find that only one out of every 10 ideas will succeed. If we penalise those who fail, they won't try again," he said, adding that in the high-tech business, there are always quite a lot of failures but it does not mean the same people will fail time and again.

On their part, the innovators should not give up easily and press ahead with their ideas even after initial failures, Dr Mahathir added.

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