

Govt takes over role as engine of growth

Private sector weakened by effects of downturn, says PM

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LANGKAWI, Sun: Prime Minister Datuk Seri Dr Mahathir Mohamad said today the federal government has taken over the role as the country's main engine of growth for infrastructure development from the private sector.

He said the focus has also shifted as the government will now offer investment opportunities for various infrastructure projects such as schools.

"Initially, we were depen-

dent on the private sector but it was weakened by the effects of the regional economic downturn from 1997 to 1999," he told a media conference after visiting the shipyard at Tanjung Lembong here.

"Thus, it is the federal government now playing the role as engine of growth."

Mahathir said many more development projects will also be speeded up to ensure the construction industry plays a bigger role in the gradual revival of the country's economy.

Elaborating on the proposed 8th Malaysia Plan, which will be tabled on April 23, Mahathir said it will repre-

sent the same policies towards achieving the goals set under the New Economic Policy and the National Development Plan.

He hoped that this will contribute towards realising Vision 2020 despite the current US economic slowdown which is bound to affect Malaysia.

Mahathir also said the government will continue to try and help local companies badly affected by the economic downturn sparked by the devaluation of the ringgit.

"We will continue to assist. Some were salvaged but some could not be salvaged. We are of the opinion that these com-

panies are worth saving as they were performing well prior to the crisis," he said.

"Some quarters, specifically foreign critics, said these companies should be left bankrupt as they are inefficient.

"We believe otherwise. They were doing well prior to the crisis but when the currency is devalued, it is not only companies in Malaysia which suffer but even foreign companies.

"Even the world's best conglomerates will suffer if the currency is devalued. Furthermore the foreign critics are not owners of these local firms."