

MPs are all ears during PM's speech

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KUALA LUMPUR, Mon: The often boisterous MPs were surprisingly silent today when Prime Minister Datuk Seri Dr Mahathir Mohamad tabled the 8th Malaysia Plan (8MP) in the Dewan Rakyat.

He delivered a one-and-a-half-hour speech outlining the government's five-year development strategies — the first phase in the implementation of the 10-year Third Outline Perspective Plan tabled two weeks ago and later approved by the house.

Mahathir's speech was delayed by a dispute between opposition MPs and Deputy Speaker Datuk Lim Si Cheng on an earlier motion by a backbencher.

There was also a protest by Syed Azman Syed Ahmad Nawawi (PAS-Kuala Terengganu) that it is inappropriate to present the 8MP under current economic conditions, but once Mahathir got started, the MPs were all ears.

Mahathir said the plan will focus on making growth knowledge-driven rather than input-driven to enhance potential output growth, accelerate structural transformation within the agriculture, manufacturing and services sectors and strengthen socio-economic stability through equitable distribution of income and wealth.

During the 8MP period, the GDP is expected to grow at an average of 7.5% a year with low inflation.

"I remain confident that the medium-term prospect for the economy is still

good despite the possible adverse effect of the slowdown in the US economy this year on our exports and growth performance," he said.

Other forecasts were that private consumption in real terms will increase at 7.4% a year with an expected rise in per capita income from RM13,360 in 2000 to RM17,780 in 2005.

Due to the expected growth in disposable income, private consumption per capita is projected to increase from RM6,200 to RM9,070 during the same period.

Mahathir said private investment will continue to provide the stimulus for the economy, its growth averaging 19% a year, while its share of total investment is expected to reach 68.7% in 2005.

He said the capital market, especially private debt securities and pension and provident funds, will be important sources of financing for the various economic sectors, as will foreign investment.

Mahathir also forecast that the maturing economy will rely less on labour and capital input, which is why manpower improvement and increasing research and development efforts are strongly featured in the plan.

He also said export performance during the 8MP will grow at an average of 7.9% a year, while imports will grow at a rate of 10.2% a year.

Under the 8MP, he said, the public sector will resume its role as the facilitator of private sector participation in the economy, adding that it will spend

RM253.4 billion during the next five years, compared with the last plan's RM222.9 billion.

Mahathir also noted the successes of the 7th Malaysia Plan, which he said resulted in a commendable economic performance, registering an average GDP of 4.7% a year, surpassing an earlier target of 3%.

He also pointed out the responses of the government to the financial crisis of 1997-1998, saying that recovery measures helped to stimulate consumption, and contain inflationary pressures, resulting in a low unemployment rate of 3% and Consumer Price Index of 1.6% last year.

In all his seriousness, Mahathir also occasionally took digs at the Opposition during his speech, always with a smile on his face.

One time, he said the 7MP succeeded despite attacks by currency speculators ... "and the trouble-makers in front" that caused the economy to slow down.

Concluding his speech, Mahathir again took a jibe at the Opposition, saying: "All these figures are true and not fabricated. Nevertheless there were certain parties who claimed that the Malaysian economy is in a bad shape due to the approach adopted by the government.

"This claim truly demonstrated the naivety of the opposition parties. As usual they were unable to differentiate between the good and the bad. Their eyes were blinded by their political motives."