

More services to go private

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Services sector,
health, education
and transport
likely candidates

KUALA LUMPUR, Mon: Privatisation will feature prominently in the 8th Malaysia Plan as the public sector focuses more on its social obligations.

Potential areas are the services sector, including health and education, and transportation.

In tabling the plan in the Dewan Rakyat today, Prime Minister Datuk Seri Dr Mahathir Mohamad said the private sector will be the stimulus to achieve the targeted 7.5% average GDP growth rate.

The government has also reaffirmed its commitment to get adequate public feedback before deciding which projects to privatise. This is expected to ensure better implementation and minimise consumer grouches against the high financial burden borne for infrastructure projects like highways and public services.

Malaysians among 120 taken hostage: Page 5

Speaking to reporters later, Mahathir said the government had always sought public opinion before approving privatised projects.

"We are doing that all the time. Even now when we want to construct a road, we ask the public's opinion whether they want the road or not. If they say they do not want it, we won't do it," he said.

During the 7th Malaysia Plan period, the government saved some RM49.3 billion through 98 privatised projects, of which 47 were existing ones.

The 700-page 8th plan docu-

turn to **PAGE 2**

Target groups include urban poor and orang asli

from **FRONT PAGE** **SUN 24 APR 2001**

ment that is part of the economic masterplan under the Third Outline Perspective Plan reiterates the government's role to tackle socio-economic imbalances related to ethnic groups and states.

This will be achieved through various programmes designed to increase opportu-

nities in housing, education, public amenities, urban services and the economy.

Among the target groups are the urban poor, the orang asli, and bumiputras in Sabah and Sarawak.

This attention comes at the right time given the nation's economic recovery and strong forecast of 7.5% growth, following the 1997 financial cri-

sis that impacted severely on the poor and disadvantaged.

The 0.5% poverty rate targeted by the 7MP tabled in 1996 has not been achieved. The current rate has increased slightly, notably in the Federal Territory, Perlis, Kedah and Malacca.

But some commentators have pointed out that the overly-optimistic forecast for

economic growth and reliance on government revenue could face a shortfall because the estimates were based on higher growth rates.

The growth rate has since been revised to 4% this year and 6% next year, instead of the 7.5% throughout the whole plan period, and this will hamper the implementation of social welfare programmes.