

STURDY GROWTH

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KUALA LUMPUR: The Eighth Malaysia Plan is focused on sustainable growth with resilience to ensure that the country's economy is on a firm footing.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who tabled the five-year plan in the Dewan Rakyat yesterday, said the 8th Plan would provide equal chances and better opportunities for Malaysians to enhance the quality of life and enable them to be part of a knowledge-based economy.

"Aim will be directed towards better opportunities in education, especially in rural areas; increasing accessibility to better health facilities; and ensuring affordable houses to be owned or rented by the people," he said.

Dr Mahathir said the three key thrusts of the 8th Plan were to shift growth from input-driven to knowledge-driven, speed up structural changes in the agriculture, manufac-

Five-year plan targets resilient economy, better quality of life

turing and service sectors and strengthen socio-economic stability by equitable distribution of the country's wealth.

He said economic resilience had to be firmed following the decline of equity ownership among non-bumiputras (43.4% to 40.3%) and bumiputras (20.6% to 19.1%) during the 7th Plan.

"The drop reflects the inability of our people, particularly the bumiputras, to sustain their equity holding structure during the

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Creating a bigger and richer middle-income group

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difficult period following the economic crisis," he said.

The Government, he said, would continue to address the issue of income imbalance, especially between and within ethnic groups, regions and states.

He said Malaysia would create a bigger and more prosperous middle-income group besides raising the income of

those in the lower-income group. Dr Mahathir said the GDP was projected to grow at a yearly average rate of 7.5% with low inflation.

"I remain confident that the medium-term prospect for the economy is still good despite the possible adverse effects of the slowdown in the US economy this year on our exports and growth performance," he said, adding that per capita income of Malaysians was ex-

pected to increase from RM13,360 last year to RM17,780 in 2005.

He said the Government would spend RM110bil during the Eighth Plan, with the economic sector getting the largest allocation of RM50.5bil (45.9%).

The social sector would get an allocation of RM37.5bil, defence RM10.75bil, while the rest would be for administration.

Dr Mahathir said parents would be encouraged to save for their children's education, adding that the Government would launch an education savings scheme.

He said the Government would act to ensure that society was resilient in facing negative influences which could erode moral values or affect social harmony and tolerance.

Dr Mahathir also pointed out that the Government had

not given up all its responsibilities to the private sector.

"By transferring government assets at a reasonable price to the private sector and providing soft loans, the cost of these facilities was reduced."

Otherwise, toll rates, for example, could be up to RM1 per km if the cost of building a highway was fully borne by a company without government subsidy, he said.