



Good progress made towards

Nst - 4 APR 2001

Foreword by Prime Minister Datuk Seri Dr Mahathir Mohamad

DURING the last decade, Malaysia made good progress towards achieving wide-ranging economic objectives and social transformation, accompanied with rising prosperity and a high quality of life.

Despite experiencing the worst-ever recession during the Asian financial crisis, strong fundamentals enabled the economy to recover and grow at an annual average rate of seven per cent per annum during the 1990s, thereby achieving the target of the Second Outline Perspective Plan (OPP2).

At the same time, the incidence of poverty fell by half and efforts at restructuring the Malaysian society yielded positive results in fostering national unity.

The Third Outline Perspective Plan (OPP3) marks the second phase of the nation's journey to realise Vision 2020 that we embarked upon in 1991.

In formulating the policies, we have drawn from our rich experience in economic development and nation-building.

Since the launching of the New Economic Policy in 1971, the nation underwent rapid economic growth and attained significant improvements in its socio-economy, especially in poverty alleviation and the restructuring of society.

The National Development Policy (NDP) took these achievements further in the 1990s by focusing on balanced and equitable development.

The success of these policies is evident in the prosperity and harmonious ethnic relations that the nation had been enjoying for the last 30 years.

We are entering another important and challenging phase in the development of the country, and our policies have accordingly been to address these concerns.

Today, the forces of globalisation, liberalisation and information and communications technology (ICT) have fundamentally changed the rules and nature of global trade, resource flows and competition.

Clearly, countries that are able to rise to the challenge will grow in success and prosperity, while those failing to do so will be marginalised and languish in the backwaters of development.

Our track record, coupled with the resolve and ingenuity of the Malaysian people, gives us confidence that we can successfully face the challenge provided we equip ourselves adequately, shore up our national resilience, and enhance our competitiveness in the global marketplace.

The OPP3 focuses on some key strategic thrusts to achieve sustainable growth. To a great extent, our competitive position will be determined by the speed with which we increase the knowledge content of our activities as well as strengthen our capability to develop indigenous technology and create new products.

We will need to adopt modern production systems and technologies to raise our productivity and value added. Although foreign direct investment (FDI) continues to be important, greater emphasis will be placed on domestic investment to enhance the retention of a greater portion of the wealth created within the country.

High on our priority list is forging a united nation consisting of a progressive and dynamic *Bangsa Malaysia* that lives in harmony and imbued with strong moral and ethical views.

Diligence, discipline, credibility, pride in one's work and achievements, as well as the relentless pursuit towards continuous self-improvement and output are important values and attitudes for all Malaysians to develop.

It is also important for the Malay-

sian society to show political maturity by avoiding extremism or parochialism. We must never cease to remember that the vital ingredient for sustainable growth is a harmonious society.

With unity and the total commitment of all Malaysians, I am confi-

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achieving national objectives

the low-income groups and reducing economic disparity among ethnic groups as well as between locations.

Despite pursuing the strategies for the restructuring of society during the past 30 years, we have still some way to go in achieving effective Bumiputera participation and creating self-reliant and sustainable Bumiputera entrepreneurs.

The Government can only go so far in setting the necessary conditions and the enabling environment for the restructuring of society to take place. In the final analysis, it is the Bumiputera community that will have to intensify efforts for the realisation and accomplishment of these targets.

In the face of challenges ahead, the Bumiputera must be prepared to change their mindsets and even the value system. They must enhance their skills and entrepreneurial capabilities to participate in the knowledge-based economy and take advantage of the opportunities created within and outside the country.

The development of quality human resources will be pursued with vigour to provide a productive workforce and build a learning and knowledge-rich society. Effort will be directed towards creating excellence in the education and training system, upgrading and expanding teacher training, and in particular strengthening the teaching of science, mathematics and English.

Lifelong learning will be promoted through distance learning, the establishment of community colleges and open universities. The performance gap between the rural and urban areas as well as among the disadvantaged groups will be reduced through increased accessibility to quality education.

During the OPP3 period, growth objectives will continue to be balanced with environmental consideration. Care is taken to ensure that the country's development is

environmentally sustainable to safeguard growth and prosperity for the present and future generations.

The policies and strategies of the OPP3 will bring the nation closer to the fulfilment of the Vision 2020 aspirations only if there is the total commitment of all Malaysians to translate these policies and strategies into effective actions.

On the part of the Administration, we will be steadfast in ensuring that the goals set for the nation are carried out with a sense of urgency, sensitivity and imagination, while at the same time avoiding the inconsistencies in the interpretation of policies and programme implementation.

The Government will maintain a conducive environment for enterprise, innovation and creativity to flourish. The private sector, on its part, should be resourceful, creative and should use knowledge and ICT to generate business dynamism.

The preparation of the OPP3 has benefited from the deliberations of the Second National Economic Consultative Council (MAPEN II).

I would like to record the Government's deepest appreciation to the members of the MAPEN II for their contributions. Although it is not possible for the Government to accept *in toto* the recommendations of MAPEN II, the numerous ideas proposed and thoughts expressed by the members have been taken into account in the formulation of OPP3.

I also wish to thank the government agencies and organisations, as well as the private sector and non-governmental organisations for contributing to the preparation of this document.

The proposals made by various strata of society, including political parties, private organisations and members of the public, greatly facilitated the preparation of this Plan.

dent that we will be able to achieve our long-term vision of becoming a developed nation, where everyone can enjoy high income and good quality of life.

A key thrust is promoting an equitable society by raising the income and quality of life of those in