

For nation's contin

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By Datuk Seri Dr Mahathir
Mohamad

BEFORE I table the Third Outline Perspective Plan (OPP3) for 2001-2010, I would like to draw the attention of the House to Malaysia's record of development since independence. As a multi-racial, multi-religious and economically divided nation, Malaysia was a nation least expected to remain peaceful and to develop.

There were dire predictions that racial conflicts would be a permanent feature and the Malays who made up the majority would seize power and rob the other communities. In the event we have proven our detractors totally wrong.

For this remarkable achievement the whole nation must thank the greatest Malaysian leader of all, the late Honourable Tunku Abdul Rahman Putra Al-Haj. It was he who devised the special inter-racial co-operation which today is being copied not only in this country but also many other developing countries with ethnic divides.

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Without losing their racial identities, the various ethnic political parties were able to ride under the banner of an Alliance which functions more like a single party than a coalition of parties.

This is the formula which brought about stability and economic development in Malaysia. If Malaysia is to continue to be peaceful and to grow rapidly, it is important that the protagonists of this unique system of racial co-operation should stay in power. Synthetic copies are most unlikely to achieve the same results.

Unfortunately the original practitioners of racial co-operation are now faced with the politics of hatred, religious deviationism, racism and street violence. It is difficult to understand why people in a peaceful rapidly developing Malaysia should want to imitate the ways of countries which have not been able to stay peaceful and to develop.

But the fact is that some in Malaysia are not happy that the country is peaceful and the economy is doing well. They hanker after turmoil and violence, injury and death even. They are forever looking for issues and incidents to exploit. While they pro-pound democracy, they are not prepared to accept the decision of the majority. They are not prepared to wait for general elections but wish to grab power illegitimately.

Recently a fight broke out between a few Malays and a few Indians. Immediately certain people tried to influence feelings among both communities in order to break the peace that Malaysia enjoys. It is well-known that certain individuals wish to see the Malaysian Government fall through street violence. They had intimidated this to their foreign sympathisers. But this Government will not hesitate to enforce Malaysian laws even if we will be condemned by the foreign media and certain foreign quarters.

Malaysia's well-being is the responsibility of the Malaysian people and their elected Government. We have shown that when Malaysian interests are at stake, we are ready to break from the so-called international norm. We know that our critics and detractors are no angels and when it suits them, they will ignore common decency even. And so if the peace and stability of this country is threatened, having foreign friends to back their illegal acts will not save them from the full force of Malaysian laws. This Government will act and act decisively to protect this country from foreign manipulations and their proxies in this country.

As I pointed out, Malaysia has developed rapidly since independence. This has been achieved despite continuous opposition and harassment by the opposition every step along the way. Every project to improve the living standard of the people has been condemned, opposed and obstructed.

Thus when the Government developed the Muda Irrigation Scheme (Mada) for padi double-cropping, the Opposition condemned it as impractical, the land is not allowed to lie fallow, the padi farmers would have to work throughout the year. Today the very people who opposed Mada not only enjoy the extra income they get but would get angry if they cannot do double cropping.

It is the same with all the other policies and projects. If their opposition is acceded to there would be no Penang Bridge, no North-South Expressway and other expressways, no Subang Airport and KLIA, no Proton, no DEB (New Economic Policy),

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no Malays in business, and certainly none in the corporate sector or the professions. In fact bereft of all these, Malaysia would be a Third World basket case, begging for aid and being forced to obey foreign powers and international agencies. We can see the kind of country we would be by looking around us.

Fortunately the Alliance and the Barisan Nasional Government were given overwhelming support by the people and we were able to ward off opposition from the opposition parties and develop the country and enrich the people.

The OPP3 outlines the policies and direction of Malaysia's development in the next 10 years. The National Vision Policy will be opposed by the Opposition because all the Opposition knows is to oppose. They have never come up with any constructive ideas to help the country develop.

The Barisan Nasional Malaysian Government will not be deterred by the negative

ued progress

attitude of the Opposition. We will definitely carry out the National Vision Policy with all the means in our power for the good of Malaysia and all Malaysians.

It is with this awareness that the Opposition will raise baseless criticisms during the debate on the Third Outline Perspective Plan and the National Vision Policy and will deliberately prevent Malaysia's development that I will present the OPP3, to take the country further towards Vision 2020, a Malaysia that is fully developed and at par with other developed countries.

I beg to move the following motion:

"That this House,

- recognising the significant progress made in the socio-economic development of the nation during the last 10 years under the Second Outline Perspective Plan 1991-2000 and the National Development Policy;

- acknowledging and endorsing the continuous efforts of the Government in implementing policies, strategies and programmes in order to achieve the objectives of the Second Outline Perspective Plan through the National Development Policy, that is to attain balanced development in order to establish a more united and equitable society;

- approves and endorses the Third Outline Perspective Plan, 2001-2010 and the National Vision Policy, which seek to provide respectively the development objectives of the nation and the policies that will be followed in this decade, as set out in Command Paper No. 11 of 2001;

- that in approving the Third Outline Perspective Plan and the National Vision Policy, all segments of Malaysian society are required to relentlessly strive for greater success in the face of increasing domestic and global challenges ahead, and stand united in our efforts to build a resilient and competitive nation."

With your permission, I, therefore, table the Third Outline Perspective Plan (OPP3) (2001-2010) and the National Vision Policy for deliberation by honourable members of this House.

The OPP3 document before us is of special significance for succeeding generations and for us. It is tabled at the beginning of the 21st century and contains policies and programmes that will be implemented in the first decade of the century. Having attained remarkable success since the launching of the New Economic Policy (NEP) and the National Development Policy (NDP), we should forge ahead with determination to attain the objectives so that the *rakyat* who have placed their faith in this Government will not be disappointed.

In Malaysia, we take planning for national development very seriously. For us, plans are important to set out the course for the nation to take in its development. The seri-

ousness with which we undertake development planning in Malaysia is best demonstrated by the efforts that are made in the preparation of OPP3.

In the formulation of OPP3, we established the Second National Economic Consultative Council (Mapen II), which was composed of 154 members representing various sections of the Malaysian society. Their ability to deliver the final report on time enabled the Government to consider the views expressed before formulating the plan. Although it was not possible to accept all the recommendations, the Government in full earnestness and sincerity had considered all the proposals carefully.

NATIONAL DEVELOPMENT POLICY

The National Development Policy (NDP) which was launched in 1991 to succeed the NEP, set the broad economic developmen

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framework for the last 10 years.

While maintaining the basic strategies and broad objectives of the New Economic Policy (NEP), the NDP incorporated several new dimensions, namely, focus on hardcore poverty, emphasis on the rapid development of an active Bumiputera Commercial and Industrial Community (BCIC), greater reliance on the private sector to achieve the restructuring objective, and the strengthening of human resource development.

MACROECONOMIC PROGRESS

The policies and strategies of the NDP contributed towards strengthening Malaysia's position as a modern industrial economy and brought significant economic and social progress. The country witnessed improving standards of living and the strengthening and diversification of its industrial base. The economy, however, suffered a severe setback in 1998 due to the Asian financial crisis, but as a result of the measures introduced by the Government and the strong economic fundamentals existing before the crisis, we succeeded in

Reducing poverty

□ FROM PAGE 12

also continue to recruit competent and well-qualified people to enhance the quality of the public service.

BUILDING A UNITED AND EQUITABLE SOCIETY

The Government will continue to pursue the distributional agenda to ensure balanced participation among and within ethnic groups as well as sectors and regions. The National Vision Policy maintains the basic two-pronged strategy of the New Economic Policy, that is, poverty eradication irrespective of race and restructuring of society in the context of rapid economic growth.

POVERTY ERADICATION AND INCOME DISTRIBUTION

We have made very good progress in poverty eradication. By 2005, we intend to reduce the incidence of poverty further to 0.5 per cent. To realise this target, the anti-poverty programmes will be more target-specific and address pockets of poverty in different regions, particularly in remote areas as well as among disadvantaged groups such as the Orang Asli and other Bumiputera minorities in Sabah and Sarawak. To increase programme effectiveness, existing anti-poverty programmes will be consolidated and revitalised under *Skim Pembangunan Kesejahteraan Rakyat* (Scheme for the Development of the People's Well-Being).

A key approach to eradicate poverty and improve the quality of life of the population is education. In addition, the provision of health services and other social amenities will also contribute towards reducing poverty and enhancing the quality of life.

The coverage of amenities such as electricity, safe water and transportation and communications will be further widened to reach remote and outlying areas, particularly in Sabah and Sarawak.

The rural development programme will focus on enabling the poor to diversify their employment potentials and sources of income. Rural income will be enhanced through the implementation of integrated, modern mixed crop commercial farming, as well as the more systematic production of handicraft. The income-generating activities, particularly among padi farmers, rubber smallholders, fishermen and estate workers, will be enhanced since the incidence of poverty among them is high. Agriculture will be diversified to reduce over dependence on a particular mono crop.

The Government is committed towards building a caring society. In this regard, the welfare and quality of life of the elderly and the disabled are taken into ac-

as well as training in accounting and cash management. It is hoped that Prosper will succeed in increasing the presence of Bumiputeras in new growth centres.

EMPLOYMENT RESTRUCTURING

Under the National Vision Policy, the Government will formulate appropriate mechanisms to increase the participation of Bumiputeras in modern sectors and ensure that the employment pattern largely reflects the ethnic composition of the population. The capacity of the Government's higher education institutions will be expanded to increase accessibility, especially to Bumiputeras to balance the increase in private educational institutions.

Both the public and private institutions of higher learning will be required to increase the number of Bumiputera gradu-

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ates and ensure that the courses offered meet market demand.

TOWARDS BALANCED REGIONAL DEVELOPMENT

All the States in the country registered improvements in the quality of life arising from improvements in per capita income as well as access to better infrastructure, social services and basic amenities. During the OPP3 period, the thrust of the regional development policy will be to accelerate the development of the less developed States and reduce the socio-economic imbalances among regions.

Among the measures that will be taken are promoting the concentration of economic activities by State on the basis of their comparative strength, continuing the industrial dispersal programme, and further improving infrastructure and the access to quality basic amenities in the less developed States.

DEVELOPING A KNOWLEDGE-BASED ECONOMY

The development of a knowledge-based economy is extremely crucial for the country to sustain rapid economic growth and enhance international competitiveness. We will need to strengthen our capability to innovate and create indigenous technology as well as develop and market new products. By increasing the knowledge input,

The Government realises that the development of the knowledge-based economy has the potential of increasing the digital divide among high and low income groups and the rural and urban population. Accordingly, steps will be taken to reduce the knowledge gap and the digital divide within the country.

count while pursuing our national development goals.

EQUITY RESTRUCTURING

With regard to the restructuring of society, efforts will be made to increase the equity ownership of Bumiputeras in business. The Bumiputeras currently own only 19.1 per cent of corporate equity. The target is to raise their share to at least 30 per cent by 2010. In ensuring non-Bumiputera equity ownership, the share of ownership by the Indian community will be given due consideration.

As Bumiputera companies have already made inroads into the construction, transportation and agricultural sectors, there is a need for them to diversify into other high value-added activities, particularly in the manufacturing, services and distributive trade. An enabling environment will be created, including the provision of incentives and financing, to assist Bumiputera acquisition of appropriate technology as well as management expertise.

In addition, the privatisation programme will continue to be implemented to create more opportunities for Bumiputera entrepreneurs at the corporate level.

DEVELOPMENT OF THE BCIC

The programmes to develop the Bumiputera Commercial and Industrial Community (BCIC) will focus on building more sustainable, self-reliant and world-class Bumiputera entrepreneurs capable of competing effectively both in the domestic and international business.

There is a need for Bumiputera entrepreneurs to develop positive values and the ethics of business for them to be continuously successful and self-reliant. To develop more Bumiputera entrepreneurs, the existing vendor and franchise development programmes will be further strengthened and expanded.

The Government will also enhance Bumiputera participation in the retail trade sub-sector through the Bumiputera Retail Trade Development Project or Prosper.

This project will be target-specific and provide assistance and support services, such as the provision of premises and capital, identification of business opportunities

we will be able to change from an input-driven strategy to a productivity-driven growth strategy.

The knowledge-based economy does not mean abandoning our existing production activities in favour of high-tech activities exclusively. Of course, productive activities in agriculture, manufacturing, and services will continue, only that these activities will have greater knowledge inputs in order to yield much higher returns. As a result, the productivity and value added of existing activities will be raised and new investment opportunities in knowledge-intensive industries will be opened up.

Malaysia started to lay the foundation for the knowledge-based economy in the mid-1990s, with the setting up of the National IT Agenda (Nita) and the Multimedia Super Corridor (MSC). The MSC provides an ideal IT and multimedia environment to attract knowledge workers, technopreneurs, and multimedia and high technology industries. The MSC area has attracted a sizeable number of sophisticated businesses, world-class technology-led companies and R&D investments.

During the OPP3 period, Malaysia will focus on strengthening the critical elements that support the development of the knowledge-based economy. Among the most important elements is building up the critical mass of knowledge manpower quickly and effectively.

For the successful implementation of the knowledge-based economy, the brain gain programme will be accelerated to attract Malaysian expertise and talents from overseas as well as foreigners with the requisite skills to meet our immediate and short-term needs. The registry of Malaysian R&D scientists and engineers working overseas will be expanded to include new expertise and technopreneurs in other knowledge-related disciplines.

To provide the appropriate environment, the Government will maintain a stable macroeconomic environment, make available the basic infrastructural facilities, and create a conducive regulatory framework. Efforts in developing S&T and R&D will be more focused and directed towards areas that are strategic in developing the knowledge-based economy.

We will endeavour to develop more local technopreneurs who will eventually be able to market their products in the global market. In this regard, financing for new ventures will be strengthened. To develop the venture capital market and local expertise, the inflow of foreign venture capital funds will be encouraged to come in and the management of Government venture capital funds will be outsourced to reputable venture capital corporations, including foreigners.

The successful development of the knowledge-based economy will require the participation of various parties, not just Government initiative. In this respect, the role of the private sector is crucial in acting as the engine of growth.

Businesses must take a broader view of opportunities since markets have become virtual and borderless. Even small businesses and cottage industries should enhance the quality and value of their products by using better production techniques

irrespective of race

and equipment, improving their design and packaging, and using e-trading and e-business tools to source components and widen their markets.

The Government realises that the development of the knowledge-based economy has the potential of increasing the digital divide among high and low income groups and the rural and urban population.

Accordingly, steps will be taken to reduce the knowledge gap and the digital divide within the country. The strategies include promoting greater awareness and participation of the low-income groups and those cut off from growth centres in the knowledge-based economy and providing education and training in ICT to them.

Telecommunications infrastructure will be expanded throughout the country to ensure that rural areas and disadvantaged groups have better connectivity and access to ICT. Local communities will be given ICT facilities, which could be used as one-stop centres for information on Government services, teleworking and distance learning.

In addition, there will be better provision of ICT infrastructure and services, as well as access to lifelong learning opportunities for people in rural areas.

INVESTING IN PEOPLE

As Malaysia enters the 21st century, human resource development will be absolutely crucial to support the development of a knowledge-based economy and to ensure that all Malaysians will be able to enjoy the nation's prosperity. The thrust of human resource development is to prepare a workforce that is capable of meeting the challenges of a knowledge-based economy, well equipped with technological skills and expertise, and high level of thinking skills. Accordingly, we are investing a substantial amount of resources in education and training.

The education and training system will be

reoriented so that knowledge, skills and expertise acquired by Malaysians will effectively support the development of the knowledge-based society.

As the growth and development of the economy will be driven by knowledge-based industries, new economic activities will be generated in all sectors, especially in the manufacturing and services sectors.

The demand pattern for manpower will change towards high technology and science-based industries, biotechnology, ICT, pharmaceutical and R&D activities, all of which require workers with tertiary education in the science and technology related disciplines.

The sophistication in the production processes will generate demand for 137,200 engineers and 331,700 engineering assistants trained in the electrical and electronics, chemical, biotechnology, mechanical, ICT and other technologies.

In agriculture, the introduction of high technology cultivation methods and industrial practices, large-scale and mixed farming and increased mechanisation will require a substantial number of trained labour in various disciplines, as well as those skilled in agro-business, modern integrated farm management, and biotechnologists.

The Government is promoting lifelong learning and providing facilities so that the public can continuously update their knowledge, upgrade their skill base, even after leaving the formal education and training system. For this purpose community colleges will be established. Our labour force will be continuously retrained and upgraded, while preparing them with the new skills needed by the knowledge-based economy.

CONCLUSION

The country has indeed done very well

along many fronts during the last decade. We have witnessed how Malaysians have used their creative energies and ambition to push further the achievements of the country, and have moved into areas that normally fall within the domain of developed countries.

The success of the NVP requires total commitment from us all, and everyone should be prepared to work hard to achieve the target.

We must be prepared to reinvent ourselves, to change our mindsets, to be innovative, resourceful and disciplined, as well as to have a sense of urgency in the face of increasing challenges.

The Government will continue to be responsive and adopt appropriate policies and incentives that are business-friendly and market-oriented. We will ensure that the Government machinery at all levels will work efficiently, without deviating from original objectives.

As Malaysians, we must not only become more competent and be equipped with new and better skills, we must also ensure that foreign values and practices do not erode our national identity and heritage.

We will need to develop strong values and work ethics and cultivate a caring and competitive society.

All foreign influences that are negative must be resisted to maintain our national identity, which is infused with traditional eastern culture.

By the will of Allah and His Blessings, we will continue to prosper and achieve the goals we have set for ourselves in the first decade of the 21st century and in doing so, we will come closer to the attainment of Vision 2020.

I beg to move.

□ *Text of speech by Prime Minister Datuk Seri Dr Mahathir Mohamad in tabling the Third Outline Perspective Plan (OPP3) in Parliament yesterday.*