

04/04/2001

Higher growth target (HL)

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KUALA LUMPUR, Tues. - Prime Minister Datuk Seri Dr Mahathir Mohamad today unveiled a 10-year social economic plan aimed at achieving higher growth, eradicating poverty and raising the Bumiputera stake in the economy.

"Economic growth will be promoted alongside efforts aimed at poverty eradication and restructuring of society, as well as reducing social, economic and regional imbalances," he said in tabling the Third Outline Perspective Plan (OPP3) in the Dewan Rakyat.

"While improving material welfare and raising the level of prosperity, special effort will also be made to instil positive social and spiritual values to balance rampant materialism."

The thrust of the National Vision Policy (NVP), which forms the basis of strategies and programmes under OPP3, is to establish a progressive and prosperous Bangsa Malaysia that lives in harmony and engages in full and fair partnership.

The economy was targeted to grow at an average annual rate of 7.5 per cent during the plan period (2001-2010) compared with the seven per cent targeted and achieved during the OPP2 (1991-2000).

The major source of growth will be from productivity gains arising from improvements in technology and production processes as well as increased use of information and communication technology.

Dr Mahathir said Malaysia's ability to sustain rapid economic growth for the plan period would hinge on its ability to strengthen economic resilience and competitiveness.

"As such, the focus of macroeconomic management will be to strengthen economic fundamentals so as to ensure sustainable long-term growth with low inflation and stable prices as well as maintaining a healthy resource and external balance position."

The NVP succeeds the National Development Policy, and is an economic and social development blueprint that spells out key strategies to enable Malaysia to become a developed country by 2020.

It also provides the broad policy parameters for the formulation of the Eighth Malaysia Plan which will be tabled in Parliament later this month as well as the Ninth Malaysia Plan.

Carrying the theme "Building a Resilient and Competitive Nation", it emphasises the need to develop Malaysia into a knowledge-based society in the face of greater globalisation and liberalisation.

Other dimensions include the need to generate endogenously-driven growth, increase the dynamism of agriculture, manufacturing and services sectors, addressing pockets of poverty, and achieving Bumiputera equity ownership of at least 30 per cent by 2010.

It also emphasises the need to increase Bumiputera participation in leading sectors of the economy, and reorientate human resource development to support a knowledge-based society.

Dr Mahathir also said the country's unique formula of racial co-operation needed to be preserved for Malaysia to continue to be peaceful and grow rapidly.

For the remarkable achievement to date of being able to remain peaceful and develop, he said the nation should thank first Prime Minister the late Tunku Abdul Rahman Putra for devising the special inter-racial co-operation which was being copied by many other developing countries with ethnic divides.

Dr Mahathir called on Malaysians to be prepared to work hard, reinvent themselves, change their mindsets, be innovative, resourceful and disciplined, and have a sense of urgency in facing the challenges to achieve the NVP's targets.

The Government would 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."

On the OPP2, Dr Mahathir said Malaysia was right on target when its economy grew by seven per cent a year between 1991-2000 as projected despite the economic crisis which ravaged the region towards the end of the review period.

"More importantly, growth was achieved in an environment of low inflation, price stability and full employment."

Besides this, he said the per capita income increased at an average rate of 7.8 per cent per annum and doubled from RM6,298 to RM13,359 between 1990 and 2000.

Dr Mahathir said the impetus for strong growth during the OPP2 period came from the private sector as well as exports, unlike the high level of public sector involvement in the economy in the 1980s.

The OPP2 period also saw the country achieving significant progress in poverty eradication, employment restructuring and the development of the Bumiputera Commercial and Industrial Community. The incidence of poverty among Malaysians was reduced to 7.5 per cent in 1999 with 351,100 households lifted out of poverty.