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## Private sector to power growth

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THE Government is banking on the private sector to serve as the engine of growth in the next 10 years, with the economy principally driven by domestic activities.

The Third Outline Perspective Plan (OPP3), announced yesterday, maps out the course of an economy that is knowledge-based. At the same time, even greater emphasis will be placed on the manufacturing and services sectors, the latter primarily involves efforts to correct a persistent deficit.

Economic growth, as measured by gross domestic product, is forecast to average 7.5 per cent a year in the next decade, up from 7 per cent under the previous perspective plan (OPP2, 1991-2000).

The OPP3, which was tabled in Parliament by Prime Minister Datuk Seri Dr Mahathir Mohamad, also sees the introduction of a new development policy called National Vision Policy (NVP).

"The NVP is aimed at establishing a progressive and prosperous Bangsa Malaysia that lives in harmony and engages in full and fair partnership," the Prime Minister said.

Themed "Building A Resilient and Competitive Nation", the NVP focuses on increasing the dynamism of the agriculture, manufacturing and services sectors, alleviating poverty, and achieving effective Bumiputera participation in the economy.

By 2010, Malaysia will have 28.90 million people, up from 23.27 million now, and absolute poverty would have been eradicated, with the poorest 30 per cent of the population eaning at least RM1,200 per family a month.

"We must be prepared to re-invent 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 Prime Minister said.

The seven prongs of the Plan's strategy are building a resilient nation; promoting an equitable society; sustaining economic growth; meeting global competition; developing a knowledge-based economy; strenghtening human resource development; and pursuing environmentally sustainble development.

"In Malaysia, we take planning for national development very seriously.

"For us, plans are important to set out the course for the nation in its development," Dr Mahathir said when tabling the motion, which was delayed for 15 minutes due to objections by the Opposition.

The OPP3 represents the second decade of development under Vision 2020 and provides broad parameters for the formulation of the Eighth and Ninth Malaysia Plans.

The Eighth Plan (2001-2005) is expected to be tabled on April 23.

The OPP3 also takes into account the global economy, and the ongoing twin-process of liberalisation and globalisation.

"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 the original objectives," Dr Mahathir said.

Under OPP3, the Government hopes to reduce absolute poverty level to 0.5 per cent by end-2005, while at the same time improving the quality of life of the poorest 30 per cent of households who by the end of the plan period will have at least an average monthly income of RM1,200.

This will build on the significant headway that has already been achieved in fighting poverty, the incidence of which was reduced to 7.5

per cent in 1999, from 16.5 per cent in 1990, and hardcore poverty to 1.4 per cent from 3.9 per cent.

As for equity ownership, the OPP3 will continue to address discrepancies among the various ethnic groups.

Although the value of corporate equity held by Bumiputeras more than doubled between 1990 and 1999, in terms of share of total equity, it slipped to 19.1 per cent from 19.3 per cent.

In contrast, foreign ownership jumped to 32.7 per cent from 25.4 per cent, following the promotion of foreign investment to stimulate growth and expedite economic recovery.

The OPP3 will also take necessary measures to double the Indian community's equity ownership to 3 per cent from the current 1.5 per cent by 2010. The Bumiputera equity participation target is maintained at 30 per cent, non-Bumiputeras at 40 per cent, and foreigners the balance.

In addition, the Government will finetune programmes to develop the Bumiputera Commercial and Industrial Community and generate more world-class Bumiputera entrepreneurs.

In respect of the development of a knowledge-based economy, the OPP3's strategies include building up a pool of knowledge manpower; intensifying science and technology and research and development; accelerating infostructure development; and restructuring the financial system.

Knowledge-content in the agriculture, manufacturing and services sectors will also be promoted. The k-economy will be the new source of growth and productivity.

Total labour force is targeted to grow 3.1 per cent to 12.9 million workers by 2010, from the current 9.5 million, and total employment to 12.6 million from 9.3 million.