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The Eighth Malaysia Plan

MALAYSIA has an excellent track record among developing countries in economic planning and in the successful implementation of national development plans. There is no doubt that the Eighth Malaysia Plan is a continuation of this proud legacy. And the people must keep their faith that the Government will do everything it can to bring further development to the country.

The country successfully emerged from the 1997-98 regional economic and financial crisis by relying on its own ingenuity, the resilience of its people and strong leadership. But in the wake of the pressures arising from globalisation and liberalisation, it faces formidable challenges to attain its long-term goal of becoming a developed nation.

However, we must persevere in our endeavour in the same spirit as those in the past who, after having fought for independence, embarked on development through successful five-year plans. They forged the New Economic Policy to build national unity while stimulating economic growth and ensuring a more equitable distribution of income and wealth between and within the various races.

The underlying theme of the NEP continued in the National Development Policy of the last decade and will continue in the National Vision Policy of the next 10 years, of which the Eighth Malaysia Plan from 2001-2005 constitutes the first phase.

The eighth Plan covers every major aspect of the nation's quest for excellence and betterment and as Prime Minister Datuk Seri Dr Mahathir Mohamad has revealed, it comprises three main thrusts: to shift the growth strategy from input-driven towards knowledge-driven output growth, accelerate structural transformation within the agriculture, manufacturing and services sectors, and strengthen socio-economic stability.

The shift towards a knowledge-driven economy is crucial to putting Malaysia in a stronger competitive position and move its people and economy higher up the technology ladder.

With the competition from lower cost economies such as China and India, we will have to create a pool of highly skilled labour force adaptable and capable of absorbing new technologies to keep ahead of our competitors.

We will have to eventually phase out the industries which use less skilled labour. The stress on educational excellence and investment in education and training are important steps in striving for a knowledge-driven economy. What is also important is for the people to be more IT and Internet-savvy and for individuals of all ages to have a thirst for knowledge and to be innovative. As in the past, the plan stresses the significant role of private sector investment and that of foreign investment.

The plan forecasts an average annual growth rate of 7.5 per cent in the next five years to 2005 compared to 4.7 per cent in the seventh Plan which saw the country severely hit by the regional economic and financial crisis.

The projected growth rate is commendable, but greater efforts must be made to ensure that this prosperity is filtered down to the masses. It is also encouraging that poverty may be eliminated by 2005 as the poverty index by then is expected to have fallen to 0.5 per cent from 7.5 per cent at present.

While the Government executes its policies to realise the Plan's

promises and objectives, it is incumbent upon all of us to play our part,
no matter how small, to complement these efforts.

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