

'Malaysian enterprises must move up value chain'

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Abdul Razak Hussein, had a vision of creating an equitable Malaysia and he sought to achieve this through the redistribution of income to address imbalances between the major races.

"This vision became the centrepiece of the New Economic Policy, which spanned 20 years. Even though he passed away in 1976, shortly after his blueprint was introduced, the policy was continued by his successors, Tun Hussein Onn and Dr Mahathir," Abdullah said.

Similarly, Mahathir's Vision 2020 concept would be continued, he added.

Abdullah also said that there were tremendous challenges facing the country on the economic front and Malaysia was already examining how to remain competitive and relevant.

Malaysia had also realised that it could not rely on the model that enabled it to regularly record annual growth rates exceeding 8.0% prior to 1997.

"We cannot go on portraying ourselves as a low-cost, low-end manufacturer and exporter," he said.

Malaysia must press on with steps to ensure that Malaysian enterprises move up the value chain to concentrate on higher value-added activities and the shift towards information and communication technology and biotechnology was one of the initiatives to accelerate this adjustment.

Abdullah singled out biotechnology for particular mention as it was an area in which Malaysia had a clear competitive edge.

Although some quarters had cau-

tioned that biotechnology was a field involving prohibitively high development costs and the rate of success could be distressingly low, it would be a folly if Malaysia, which was blessed with God-given biodiverse resources, did not explore ways to benefit from them.

At the closing of the Promuda Lecture Series, "Perspective From The Past, Paradigms For The Future", here last night, Abdullah said more effective and sustainable ways of closing the income and capital ownership gaps among the different communities must be considered in the future.

He said knowledge, as a wealth asset, was less easily distributed than the traditional factors of production.

"Malaysia must, therefore, continue with its distributive policies, not only between ethnic communities but also within them," he said.

He said that despite the sustained implementation of distributive policies and rising incomes for all ethnic groups, much remained to be done as the bumiputra household income in 1999 was only 57.4% that of Chinese income and 73.4% that of Indian income.