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ABDULLAH-POLICIES

M'SIA TO FOLLOW PATH CHARTED BY DR MAHATHIR, SAYS ABDULLAH

By: Yong Soo Heong

PUTRAJAYA, Jan 20 (Bernama) -- Malaysia will continue to follow the path charted by Prime Minister Datuk Seri Dr Mahathir Mohamad towards achieving the goals of Vision 2020, said Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi.

"It is a national policy, agreed to collectively by the Cabinet and will remain as the primary driver for Malaysian government policies," he told foreign and local investment bankers and fund managers at a luncheon organised by the Labuan-based ECM Libra Investment Bank here.

Abdullah, who will succeed Dr Mahathir in October this year, said it would be short-sighted and counter productive to introduce new policies merely "to stamp my name on them."

He said that he had been constantly asked what the business community could expect from the leadership transition later this year.

"My reply has consistently been there will be continuity of major policies. Let me assure you that this answer is not a sound bite. It is a frank response on the reality of the situation," he said.

Although measures may be reviewed from time to time and adjustments made to suit prevailing circumstances, investors could be assured of a continuity of policy direction, he added.

Abdullah said the government would continue to work towards sustaining economic growth, national unity, peace and stability.

Without peace and stability, he said economic growth would be impossible to achieve and Malaysia had grown to what it was today because it had for the large part managed to avoid social upheavals.

The government, he stressed, was resolved and committed to addressing all threats to national unity.

Abdullah said he had spent 38 years in public service, both as a civil servant and as a politician, and from his experience, he had learnt that "good strategies should not be cheaply discarded."

He added that he was associated with the formulation of many of the country's economic policies since the 1970s like the New Economic Policy and National Development Policy

Malaysia, he said, had long adopted the practice of conceptualising and implementing long-range development plans.

For instance, the country's second prime minister, Tun 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 for 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."

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

Abdullah also said 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 percent prior to 1997.

"We cannot go on portraying ourselves as a low-cost, low-end

manufacturer and exporter," Abdullah 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 the information and communication technology and biotechnology was one of the initiatives to accelerate this adjustment, he added.

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

Although some quarters had cautioned that biotechnology was a field prohibitively high development costs and the rate of success could be distressingly low, the deputy prime minister said it would be folly if Malaysia, which was blessed with these God-given biodiverse resources, did not explore ways to benefit from them.

Abdullah also said Malaysia would need to reduce its dependence on exports where trade currently stood at about double the country's gross domestic product.

He said although trade would remain a major contributor to economic growth in the foreseeable future, it would be in Malaysia's interest to diversify its revenue resources and measures had already started to boost the services sector, which was already contributing more than 56 percent to Malaysia's GDP.

Logistics, tourism, education and healthcare would also be potentially lucrative areas for Malaysia.

Abdullah said he supported Dr Mahathir's policy of a stronger domestic economy as this would shield Malaysia from the external vagaries of its trading partners.

"I believe one of the ways forward is to find new sources of wealth, particularly for the lower income group who has only received marginal profits from our economic boom," he said.

Touching on padi planting, he said that not much thought has been given to producing more by-products other than padi and rice.

He said that padi planting should not be looked upon as a non-lucrative venture as the endeavour could bring about other by-products like wine, cosmetics, biscuits and raw materials for building boards.

He added that if the average padi yield could be increased by one tonne per hectare, food sufficiency would rise to 110 percent from the present 60 percent and that there would also be more money in the pockets of farmers.

"This will have a positive multiplier effect on the economy and increase the velocity of money. Each additional ringgit for the poor is more readily spent compared to an additional ringgit for the rich," he said. -- BERNAMA

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