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REPORT-PRIVATE

PRIVATE SECTOR MUST AGAIN RESUME ROLE AS THE ENGINE OF GROWTH

KUALA LUMPUR, Sept 12 (Bernama) -- The private sector must once again resume its role as the engine of growth based on the prospects of an improved recovery in the global economic environment and the stronger growth momentum in the Malaysian economy, Datuk Seri Dr Mahathir Mohamad said.

The prime minister said that the private sector need to venture into new endogenous sources of growth and develop broader-based economic activities, especially in the services and agriculture sectors.

"They have to undertake greater concerted efforts to enhance value creation activities to produce our own high quality Malaysian products and services," Dr Mahathir said in the preface of the Economic Report 2003/2004 released by the Treasury here today.

Dr Mahathir, who is Finance Minister, said that Malaysian entrepreneurs must develop fully homegrown brands, using local inputs and components that could compete in the global market.

"We must strive hard to be a successful trading nation, capable of exporting our own products and services," he said.

He said that the fiscal and monetary policies would remain supportive of private sector-led growth.

In this regard, he said that the government has put in place the necessary infrastructure and incentives to stimulate greater private sector initiatives to spearhead domestic economic activities.

Dr Mahathir stressed that measures have also been undertaken to ensure greater expediency and efficiency in the delivery system with the view to creating a more business-friendly environment as well as facilitating the private sector to reduce their cost of doing business.

As such, he said that the private sector must avail themselves of these opportunities to strengthen their resilience and enhance their competitive edge to become successful global players in the international market.

Dr Mahathir said that the growth momentum of the Malaysian economy continued to be sustained despite the adverse external environment, arising from geopolitical tensions and the outbreak of the Severe Acute Respiratory Syndrome (SARS).

Growth in the first half of 2003 was significantly stronger at 4.5 percent compared with 2.6 percent during the corresponding period in 2002.

He said that the government's quick response and timely policy initiatives and measures, in particular the implementation of the Package of New Strategies, have contributed substantially towards the rapid expansion in domestic economic activities.

"The higher growth achieved amidst an environment of low inflation as well as increased international reserves further reinforced the strength of our macro-economic fundamentals. With these in place, the nation is poised to achieve the growth target of 4.5 percent in 2003," Dr Mahathir said.

The prime minister also said that with the improved performance of the economy, Malaysians from all walks of life have enjoyed higher income growth as well as better quality of life.

The success and prosperity as well as the peace and stability that we have achieved thus far would not have been possible without the strong and undivided support of the people for the government, he added. -- BERNAMA

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