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8th Plan gets fresh engine for growth

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KUALA LUMPUR, Thurs. - Prime Minister Datuk Seri Dr Mahathir Mohamad today introduced several new policy thrusts that would be undertaken for the remaining period of the Eighth Malaysia Plan, which ends in 2005.

The new measures were focused on reinforcing macro economic fundamentals and bolstering the economy's resilience, building human capital and identifying new areas or industries for growth, and strengthening the private sector's role as the economy's engine of growth.

Tabling the Mid-Term Review of the Plan in the Dewan Rakyat, Dr Mahathir announced that Bumiputera equity ownership would be boosted through a new investment body called Dana Harapan.

Significant moves to cut costs for public sector development projects were also outlined.

He told MPs that the development budget ceiling for the Eighth Malaysia Plan would be raised from the original RM100 billion to RM160 billion, with RM50.8 billion for the remaining period till 2005.

Dr Mahathir said more effort would be needed to help Bumiputeras achieve at least 30 per cent of equity ownership by 2010.

Although the growth rate of Bumiputera equity holdings had risen, the percentage of ownership had dropped last year to 18.7 per cent, down from 18.9 per cent in 2000.

"The Government is aware that to increase Bumiputera equity ownership during the remaining Plan period will be more challenging, with the impact of globalisation and greater market liberalisation," the Prime Minister said.

He also announced that the Government would be awarding at least 60 per cent of its procurements and contracts to Bumiputeras.

The Government would also embark on cost-control measures in its development projects.

To cap the rising cost of development, there would no longer be direct negotiations between contractors and the Government for projects.

Contracts would be awarded through open or restricted tender, so as to provide competition for the increasing number of Bumiputera contractors.

All projects would also be referred to a sub-committee on Standards and Costs, while the design-and-build by one contractor concept would be replaced in favour of separate consultants for the design and different contractors for construction.

Fewer projects are to be built on a fast-track basis as the Government improved its planning capability and implemented the two-year budgeting system.

"The Government won't show leniency and won't hesitate to blacklist errant contractors and bar them from participating in future tenders," Dr Mahathir said.

The Mid-Term Review also focused on building a quality and world-class labour force, setting a goal to have 35 per cent of the workforce holding tertiary education by 2010, double the current percentage.

Dr Mahathir said private sector education would be expanded to complement public sector education, while private institutions should also develop their own niches of academic excellence on par with world-class universities.

Recognising the problem of unemployed graduates due to their lack of certain skills, he said tertiary institutions would now incorporate the

teaching of `soft skills' - communication, team work and problem solving - in their curricula.

The Government would also embark on institutionalising the concept of life-long learning.

On measures for the economy, the review called for the development of new sources of growth in the manufacturing sector.

The industries identified were maritime, such as ship-building and repair, metal fabrication, biotechnology, aerospace and food processing that would target new market segments, such as the halal food market.

In agriculture, food production would be conducted on a commercial scale using modern technology and farming methods.

Food processing, using local agricultural produce, would also spin off a new industry.

Concluding, Dr Mahathir thanked Malaysians for their unity and urged them to stay united to face future challenges.

"It has been a pleasant experience during my tenure as Prime Minister to find all Malaysians rallying together in the face of a crisis.

"This uniquely Malaysian characteristic must be maintained at all costs and should never be sacrificed in the interest of expediency of parochial self-interest or political opportunism.

"As I retire from the nation's highest elected office, I call upon every Malaysian to rise to the occasion to face the challenges as they emerge and shoulder the responsibilities of citizenship."

Dr Mahathir, his wife Datuk Seri Dr Siti Hasmah Mohd Ali, Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi and wife Datuk Seri Endon Mahmood, later posed for a group photograph with all MPs and then with Parliament and Information Ministry staff.

The Press corps also did not miss the chance to have their photographs taken with the Prime Minister.