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Major policies to remain (HL)

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PUTRAJAYA, Mon. - Deputy Prime Minister Datuk Seri Abdullah Ahmad Badawi has assured investors that the country's major policies will continue even after he assumes the nation's leadership later this year.

Neither would he formulate new policies, just for the sake of having something new for reasons as frivolous as having them associated with his administration.

"It would be short-sighted and counter-productive to introduce new policies merely to stamp my name on them," he said at a luncheon address to analysts, bankers and fund managers today.

That had always been his answer when asked about possible policy changes when he takes over.

Abdullah, who is slated to succeed Prime Minister Datuk Seri Dr Mahathir Mohamad when he steps down in October, said: "Let me assure you this answer is a frank response to the reality of the situation."

While measures might be reviewed from time to time and adjustments made to suit prevailing circumstances, investors could be assured of continuity of policy direction, he said.

Abdullah said his 38 years of public service, both as a civil servant and a politician, had made him appreciate that good strategies should not be discarded easily. This was especially so when Malaysia's policies were generally formulated for the long term.

He cited as an example the late Prime Minister Tun Abdul Razak's vision of an equitable Malaysia through the redistribution of wealth to address the imbalances among the races. It was carried out by his successors even though the blueprint was introduced just before Razak passed away in 1976.

In the same manner, Malaysia will continue with policies and strategies such as Vision 2020, the privatisation policy and Malaysia Incorporated. After all, Abdullah said, as a member of Dr Mahathir's Cabinet, he was a party to all of them.

"(Vision 2020) is a national policy, agreed to collectively by the Cabinet and will remain the primary driver for Malaysian government policies."

The participants earlier had a dialogue with Second Finance Minister Datuk Jamaludin Jarjis and representatives from several agencies and bodies such as Bank Negara, Securities Commission and the Kuala Lumpur Stock Exchange.

The meeting was organised by Labuan-based investment bank ECM Libra.

Abdullah also acknowledged the challenges facing the nation on the economic front, and the need for Malaysia to remain competitive and relevant in a globalised environment. Developments such as China's entry into the World Trade Organisation would certainly step up competition.

"We realised that we cannot rely on the model that enabled us to regularly record annual growth rates exceeding eight per cent prior to 1997.

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

Malaysia must move up the value chain to concentrate on higher value-added, by shifting towards a knowledge-based economy, such as information and communication technology and biotechnology, he said.

On biotechnology, he said Malaysia had a distinct advantage over the rest of the world, especially with its biodiverse resources.

While the cost might be high and the rewards far between, it would be a folly to ignore the God-given gifts, he said.

Another urgent challenge, he said, would be to reduce the country's dependence on exports, with trade at about double the country's gross domestic product (GDP) and would continue to remain a major component of the economy.

However, he added, it was in the interest of the nation that it diversify its sources of revenue, such as through the services sector which now contributes more than 56 per cent of GDP.