

# THE THREE FOUNDATION STONES

## ACCELERATED DEVELOPMENT IN MANUFACTURING ACTIVITY

*The development of industrial estates at Batu Tiga, near Kuala Lumpur; was described by Tun Abdul Razak as a step in the right direction of unity of big and small enterprises going ahead hand in hand with one common purpose. He was speaking at the official opening of Malaysian Industrial Estates Sendirian Her had at Batu Tiga on 10th September, 1968.*

Driving down here this morning to this Industrial Area called Batu Tiga. it occurred to me that there is a definite relationship between Batu Tiga and Tiga Batu, because our present Malaysia Development Plan is really based on Tiga Batu:

Tiga Batu Asas—the 3 Foundation Stones which have formed the firm base of the development of our nation—

- *the first base. an acceleration of agricultural activity and agricultural diversification;*
- *the second base, an acceleration of the exploitation of our natural resources such as minerals, timber, etc.;*
- *the third. and equally important base, the promotion of an accelerated development in manufacturing activity and industry.*

These are the main basic sectors in our economic development that m> government has been actively concerned in stimulating and developing to the maximum, both to achieve economic stability for our nation and to obtain a higher standard of living for our people.

Recently. we celebrated, in a modest way. our eleventh year of Independence, Although our celebrations were modest, there is no reason why we should not combine modesty with pride when we lake stock of the distance we have travelled as a nation in that short period of eleven years.

We have moved towards a new form of prosperity based on the Tiga Batu Aras of our Plan—a prosperity which was unknown to us in the days, not so long ago. when this very area. Batu

Tiga, which we see so prosperous was in fact infested with Communist terrorists who were determined to destroy both our people and our prosperity.

Ladies and Gentlemen, public memory is short, and the public tend to forget that we started our life as an independent nation not on the task of Development, but on the task of ridding our country- from the threats of militant Communism. We succeeded in that battle not merely by guns and bullets, but by developing a sense of national unity against our then national enemy. V

Let us take a lesson from those days, and let us re-develop this sense of unity in the field of Development and in the field of commerce and industry, because it is only by intensifying this united approach of going forward together to greater progress that we will be able to fulfil our national aims.

Only the other day I gave a key-note address to our Second Congress Economy Bumiputra.

I stressed that to achieve success in all aspects of our Development, we must always view our national development not from one isolated sector, but rather from the standpoint of integrating the overall mosaic of our development programme towards aims in which we all have a part to play.

This requires right attitudes on the part of all of us—an attitude of balance—an understanding of our overall plans and a clear picture of our particular part to be played within those plans, and a sincere sense of unity on our endeavours.

This is the spirit that will really make Malaysia!

Evidence of this spirit is the fact that today MIEL have made available factory-units for small entrepreneurs and ten units for Bumiputra entrepreneurs in Petaling Jaya.

This shows a definite step in the right direction of unity of big and small enterprises going ahead hand in hand with one common purpose.

I congratulate you. the Chairman and Board of MIEL for your far-sightedness. By right, really I should congratulate the MIDF first, being the parent body with MIEL as its son or subsidiary!

MIDF was set up in 1960 with the full support of the Malaysian Government as a national development financing institution in the private sector, and has achieved considerable success in contributing to the development of Malaysia.

I understand that it has approved over 80 million dollars on loans on 200 projects, both large and small, throughout the industrial sector of our economy—this is indeed a significant achievement for any Malaysian company, and this investment has in turn stimulated further investment of over 300 million dollars in turn creating jobs for more than 12,000 workers.

Furthermore, MIDF have played a considerable part in floating and under-writing 95 million dollars worth of shares on the Malaysian Stock Exchange. I congratulate the Chairman and members of the Board, because you have already established an excellent reputation as a sound and progressive long-term financing institution in Malaysia.

One aspect that makes me very pleased with the activities of the MIDF is that it has taken measures to correct imbalances in the private sector and I am glad to note that since 1964, more than 75 per cent of MIDF loans, in terms of number, have gone to small entrepreneurs with business assets ranging between 50,000 to 250,000 dollars.

Perhaps MIDF's greatest contribution to small-scale industry was the establishment in 1964 of a wholly-owned subsidiary, Malaysian Industrial Estates Sendirian Berhad (M.I.E.L.) to develop industrial sites and build modern standard factories for small enterprises, a venture never before attempted in our country.

*MIEL's pioneering success in this field has already prompted enquiries from several developing countries anxious to absorb the techniques of developing much needed, modern, small factories at prices within the reach of the small businessmen.*

Here at Kawasan MIEL today, I am privileged to open the third project undertaken by MIEL, the first at Mak Mandin, Penang, the second at Petaling Jaya.

With the setting up of 70 standard factory units in three different industrial locations to its credit, MIEL has clearly come of age. It has now the necessary experience and expertise to set up several more estates of small "fully serviced" factories catering for the specific needs of small-industry in particular areas.

I understand that another 17 units will be provided here on an adjacent site by May next year. At the same time. MIEL expects to build two other industrial estates, one in Johore and the other in Malacca. And plans are well advanced to construct a third in East Malaysia, and a fourth on the East Coast as soon as possible. To do all this, MIEL will need more than double the capital at its disposal, but this capital, can. I am sure, be readily supplied by its parent company. MIDF!

I wish them every success in their expansion programme.

However, Ladies and Gentlemen, the provision of finance facilities and the provision of industrial sites for small industries do not in themselves alone constitute a successful industrialisation programme for the development of small industries.

The third and even more important ingredient for success is the quality of management with which the industry is run by the small entrepreneur.

I sincerely hope that these businessmen who are taking advantage of the facilities offered by MIEL will remember that success in any business venture is not automatic. The nation as a whole has an interest in the success of each and every manufacturing industry because the more we can produce, the less we need to import, and the more we can export, the more economically stable our nation will become.

I hope, therefore, that those of you who are clients of MIEL and setting up new industries in this estate, will, from time to time, take stock of the way your business is running, and do everything you can to ensure good management, a high tempo of output and a high standard of product.

There already exists in both the public and private sector facilities which small entrepreneurs can gain considerable advantages from such as the National Productivity Centre, which was set up with the aim of raising the standard of management, improving the efficiency of industrial operations, sales and marketing. It was set up by Government with the express purpose of helping you. Make use of it.

MARA also has now considerable facilities for both training and management and in giving advice to those who need it.

Also, in the private sector there exists an Institute of Management which, from time to time, runs excellent courses on the teaching of managerial skills and other such skills as are essential for the running of an efficient business.

Finally. Ladies and Gentlemen. I would like not only to wish the MIEL the best of luck in its further expansion Programme, but I would like to express my sincere hope that those of you who have recently set up industries in this new Kawasan MIEL will meet with success in your ventures and be able to contribute to the industrial productivity of our Nation. Thank you.

## **THE MALAYSIAN SCENE TODAY**

### **A DECADE OF DEVELOPMENT AND OUR ACHIEVEMENTS**

*Some of the aspects of the outstanding achievements in national and rural development were reviewed by Tun Abdul Razak in a Malaysia Day radio broadcast on 31st August, 1968. In the course of his talk, covering a decade of development the Tun appealed to "all Malaysians to re-dedicate themselves to the task of developing our country into a happy and prosperous land for ourselves and our children*

On the eve of Malaysia Day. I would like this evening to review some aspects of the impressive economic progress which has taken place in Malaysia since Independence was achieved in 1957. What is the general picture that you see? May be you are so accustomed to the scene. that you do not pause to reflect. So let me put the question differently. What is the general picture that a visitor to Malaysia sees?

He may fly into Kuala Lumpur, the capital city of Malaysia, on a modern airline. This might be the Malaysia-Singapore Airline, a major part of whose share capital has been provided by the Malaysian Government. His plane lands at Subang Airport, one of the largest and certainly the most modern airport in the region. From there he will be taken by a Mercedes Benz taxi over a dual carriage, four-lane highway to the city. On the way