

IMP3 strategies to spur growth into advanced stage

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KUALA LUMPUR: Prime Minister Datuk Seri Abdullah Ahmad Badawi yesterday launched the country's Third Industrial Master Plan (IMP3), giving the final push towards achieving Vision 2020.

The blueprint maps out the Government's strategy on the three pillars of the economy — manufacturing, services and agriculture.

It targets a 6.3 per cent average economic growth in the next 15 years.

Abdullah said the IMP3 presented the business community with a framework for working towards the national aim of becoming a developed and competitive nation.

The IMP3, running from this year to 2020, seeks to improve the country's global competitiveness in the manufacturing, services and agriculture sectors.

"In keeping with the first thrust of the National Mission, which is to move the economy up the value chain, the IMP3 seeks to move these three sectors beyond the middle development stage to a more productive, value-added and

knowledge-intensive stage," Abdullah said at the launch of the blueprint.

Manufacturing will continue to be an important sector, producing more value-added goods or components, and enjoying greater utilisation of technology and heavier emphasis on product or process improvement through research and development.

"Measures will also be put in place to promote growth of resource-based manufacturing industries," he said.

During the MP3 period, the non-government services sector is projected to expand by 7.5 per cent and increase its contribution to gross domestic product (GDP) from 51 per cent in 2005 to 60 per cent in 2020.

Abdullah said to achieve these ambitious growth targets, Malaysia must not only maintain but also improve its position as a competitive service provider.

The agriculture sector will be revitalised and modernised.

"The Government will complement private sector investment to enable this sector to grow at a credible rate of 5.2 per cent during the plan period," he said.

Abdullah, who is also the Finance Minister, said the MP3 also sought a balance between social and economic development.

"Prosperity with persistent inequalities is neither fair nor sustainable in the long run," he said.

"Balanced socio-economic development contributes to societal stability which is absolutely critical for engineering further development and prosperity."

He said the country's ambition may also be achieved through genuine collaborations, including joint ventures and strategic alliances between Bumiputera and non-Bumiputera entities.

"But I have yet to see this happening. Such a collaboration benefits both the Bumiputeras and non-Bumiputeras," he said.

Over the last two decades, Malaysia has benefited from the implementation of the two previous industrial master plans.

He said the first IMP (1986-1995) laid the foundation for the development of the manufacturing sector, which quickly became the leading growth sector of the economy.

The second IMP



MANUFACTURING: Expected to grow an average 5.6 per cent a year to 2020. It will make up 28.5 per cent of the economy in 2020.



ELECTRICAL AND ELECTRONICS: Plan to attract RM82.4 billion into the sector by 2020. The sector accounted for just over half of the country's trade between 1996 and 2005.



SERVICES: From 2006 to 2020, the non-government sector is expected to grow at an annual average of 7.5 per cent, contributing 59.7 per cent of GDP by 2020.

Services grew an average 5.6 per cent annually between 1996 and 2005.

Malaysia targets tourist arrivals to reach 24.6 million a year by 2020, with tourist receipts climbing to RM59.4 billion from RM32 billion in 2005.



AUTOMOBILES: The industry, which is Southeast Asia's biggest passenger-car market, needs to

boost exports, which made up just 2.8 per cent of output in 2005.

Local car-makers met 92.5 per cent of domestic demand. Local parts suppliers, numbering 590, need to consolidate.



PETROCHEMICALS: Investments in the industry are targeted to grow at 7 per cent a year to RM34 billion in 2006-2020. Exports are targeted to grow at 6.3 per cent to RM36.7 billion.



PALM OIL PRODUCTS: Total investment of RM26.1 billion is targeted for the sector in 2006-2020. Gross export value is targeted to reach RM78.8 billion in 2020 from RM26.3 billion in 2005.



PHARMACEUTICALS: Investment in the industry is expected to reach RM6.7 billion by 2020, with exports growing 6.3 per cent each year to stand at RM1.2 billion.



(1996-2005) deepened the development of activities, enhanced productivity, greater industry linkages as well as growth of manufacturing-related services.

As such, he called on all Malaysians to work with him to realise the collective aspiration of turning Malaysia into a developed nation.

"The best laid plans will not bear the desired results unless proper mechanisms are in place to ensure effective im-

plementation, monitoring and evaluation of the strategies and policies," he said.

"Thus, I have made it my personal agenda to see that all development efforts and initiatives under the National Mission are executed in a timely and progressive manner," he said.

International Trade and Industry Minister Datuk Seri Rafidah Aziz said the achievements of the previous two IMPs were evident where

manufacturing sector's contribution to GDP increased from 19.7 per cent at the start of the IMP1 (1986-1995) to 31.4 per cent at the end of the IMP2 (1996-2005).

During the period of the two industrial plans, total approved investments in the manufacturing sector amounted to RM444.4 billion, with approved investments of RM270 billion during the IMP2 period, exceeding the target of RM250 billion.