

NEW STRAITS TIMES

# More economic growth corridors to be launched

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**KUALA LUMPUR:** New economic growth corridors will be launched for the northern and eastern regions as well as for Sabah and Sarawak in the next two months, Prime Minister Datuk Seri Abdullah Ahmad Badawi said.

The plan follows the successful launch of the Iskandar Development Region in Johor, which forms the southern growth corridor.

Abdullah said implementation plans for the new growth corridors had been completed.

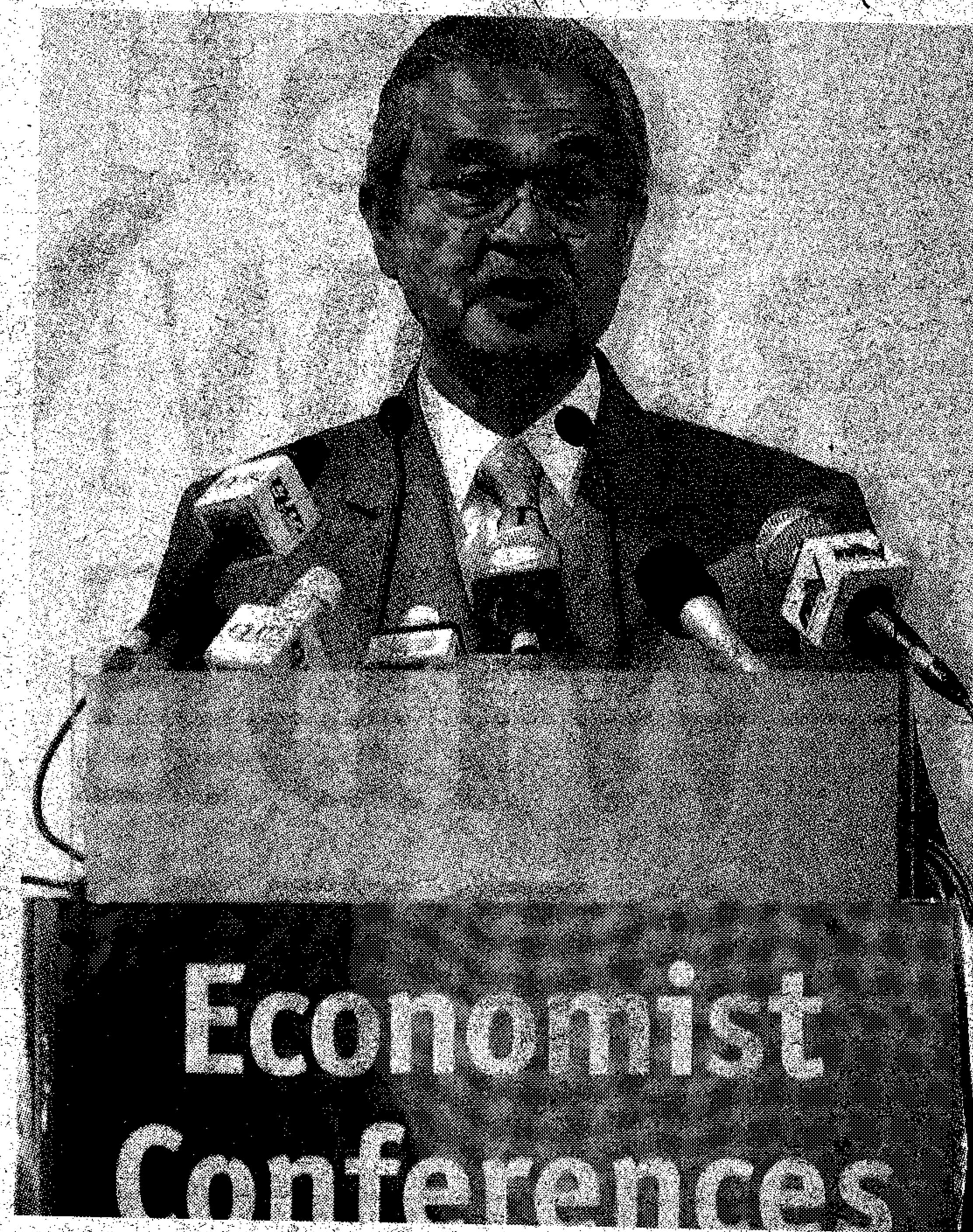
"Each of these efforts seeks to better employ the regions' strengths by introducing measures and incentives to encourage investment, business growth and employment," he said in his keynote address at the Economist Intelligence Unit Business Roundtable here yesterday.

Abdullah said in developing the new growth regions, specific attention would be paid to agricultural productivity and rural development, which were dominant factors behind the socio-economic inequalities in Malaysia.

Malaysia aims to halve the 5.7 per cent poverty rate and eradicate hardcore poverty by 2010.

Under the Ninth Malaysia Plan, the northern corridor, which covered Perlis, Kedah, Penang and part of Perak, was earmarked as Malaysia's zone for agriculture and food industries while the eastern coastal corridor which covered Pahang, Terengganu and Kelantan would focus on tourism, oil and gas, and education.

The northern corridor's development plan would be spearheaded by Sime Darby while Petronas has prepared the initial infrastructure plan for the eastern coastal corridor.



Prime Minister Datuk Seri Abdullah Ahmad Badawi says the government will focus on providing the hard and soft infrastructure to attract and facilitate, rather than supplant, the private sector

A development corridor for Sabah to tap the state's rich land resources was expected to be led by three key state agencies — the Sabah Foundation, Sawit Kinabalu Bhd and Sabah Economic Development Corporation.

The growth corridors would close regional gaps in a sustainable, market-led way, Abdullah said.

"The approach taken for Iskandar is an example, with the gov-

ernment focusing on providing the hard and soft infrastructure to attract and facilitate, rather than supplant, the private sector."

He also touched on skills and innovation, for which emphasis had been placed on human capital development in the 9MP.

"Our investments in education and skills training, together with a more open view of foreign knowledge workers, should make Malaysia a gathering place for

some of the world's best talent."

He also highlighted improvements in the delivery of public services and a step-by-step approach towards reducing regulations. This included scaled-down rules on foreign ownership for targeted sectors and areas in Iskandar as well as properties and the processing of building plans.

He told the roundtable that one of the most difficult issues was to improve equity without sacrificing competitiveness.

"Many have come to regard Malaysia's affirmative action policies, widely described as the New Economic Policy, as a cost of doing business in Malaysia.

"But many fail to appreciate the spirit behind the policy, and this is crucial in understanding Malaysia."

Abdullah said the government was open to reviewing policies or regulations that did not achieve the distributional objectives.

"The challenge for us is to achieve distributional objectives in the most sustainable, competitive and meaningful way possible."

The emphasis would be on human capital capacity-building and rural development for those left behind, he said.

The objective to disassociate race from occupation or social standing was critical to ensuring the long-term unity and cohesion of the country, he said.

Abdullah said the Asian financial crisis a decade ago was a stark reminder of this fact.

"The expansion of education and a multi-ethnic middle class, thanks to affirmative action policies, had mitigated the risk of mass unrest, but great disparities in income and social mobility still exist between ethnic groups."