



# Dr M: Be competitive, resilient

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THE Mid-Term Review of the Eighth Malaysia Plan marks another milestone in our journey towards national development. The Eighth Malaysia Plan, launched in 2001 as the first phase of the Third Outline Perspective Plan (2001-2010), translates into action the National Vision Policy that aims at enhancing competitiveness and strengthening economic resilience.

The last three years were extremely challenging in view of the adverse global situation and its attendant effects on economic growth. Although the Malaysian economy grew at a lower rate than was targeted, it achieved creditable growth given its openness and high exposure to electronics exports and

particularly in comparison with the performance of other economies in the region. More importantly, growth occurred in an environment of stable prices, low unemployment rate and strong surplus in the current account of the balance of payments. The economic base has become broader with increased contribution from the promoted services sectors and the shift of the manufacturing sector into high technology and knowledge-intensive activities. Although the fiscal deficit increased due to counter-cyclical measures introduced by the Government, it remained within prudent limits. We also made good progress towards creating a more equitable society in terms of poverty

eradication, income distribution, and bumiputra employment in strategic and modern economic sectors.

The experience of the past three years underscores the importance of being constantly prepared to face challenges that come our way. The rapid globalisation of the world economy together with the emergence of other players on the global scene makes it imperative to strengthen the nation by increasing its resilience, competitiveness and innovative capability. Greater efforts will have to be made to reduce the cost of doing business, raise productivity and increase the knowledge content of products, services and internal processes. We must make

the acquisition of knowledge a life-long pursuit and develop our indigenous technological and innovative capabilities. This is necessary for the Malaysian economy to deal better with the changing global economic landscape and accelerate its transformation to a high technology and knowledge-based economy.

While pursuing higher economic growth, we must also ensure that the ethical and moral basis of our actions is not eroded. Any diminution of our value system will negate the economic gains and render our success hollow. We need to reinforce and practise values that demonstrate our abiding concern for fellow members of society, particularly those who are disadvan-

taged and in the greatest need. Civic consciousness must entail consideration and protection of the environment.

National development cannot be the sole responsibility of the Government, more so in a society of free enterprise and parliamentary democracy like ours. The Government can only set the broad parameters of national policy and make available the necessary funds for the public sector to discharge its responsibilities and implement its programmes. The private sector as a key component of society has a crucial role in providing the economic dynamism so that growth targets

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are met. The private sector should take advantage of the incentives provided by the Government to expand existing investments and pioneer into niche areas and new sources of growth. In the face of increased competition, the private sector has to relentlessly enhance its competitiveness, become more resourceful and innovative, and benchmark itself against the best performers to benefit from the dynamics in the global market place.

Individual Malaysians has also a

# Each Malaysian has role to play

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major role to play. We must all realise that the country's rapid development and the billions of ringgit in investments by the Government and private sector have raised the quality of and accessibility to infrastructure and amenities that we now enjoy. Public property should be properly used and well maintained. Malaysians must accept that a higher quality of public services must come with a price.

Paying for such a service would not in any way burden anyone as income has risen faster than the rate of inflation, which is low. In fact, by paying for the services they utilise, Malaysians will be able to enjoy an even better quality of service without straining public resources for their installation and operation.

The last two decades of development, witnessed the tremendous

rate of transformation. I am convinced that our success is not due to any fortuitous act but the result of the collective efforts of all those entrusted with the responsibility of planning and managing the nation's economy. To them and the people of Malaysia who have demonstrated the highest sense of responsibility even during very trying times, I would like to express my gratitude. I am in no doubt that if the same

commitment continues to be displayed by all, we will make the grade whatever the challenges may be.

I want to record my appreciation as well as that of the Government to the National Development Planning Committee chaired by the Chief Secretary to the Government, the Economic Planning Unit and others who have contributed to the planning process for having worked diligently to produce the Mid-Term Review.

**Datuk Seri Dr Mahathir Mohamad**  
**Prime Minister, Malaysia**