

Private sector to drive growth this decade — CM

By Suraidah Roslan

KOTA KINABALU: Chief Minister Datuk Seri Panglima Musa Haji Aman has called on the private sector, especially players in the manufacturing sector, to work with the government in moving forward to achieve a high income economy.

He said every sector of the economy has a responsibility towards making the National Economic Model (NEM) a reality.

"To make this model work, we will need a highly educated and trained workforce, sophisticated machinery in selected industries, efficiency and productivity which collectively reflect a progressive state and

nation," he said.

"The 'Performance Now' concept is most applicable in this instance to facilitate the journey to achieve the high income economy status," he added during the Federation of Sabah Manufacturers (FSM) 27th anniversary celebration yesterday.

He said the theme for this year's anniversary 'Let's Work Towards High Income Economy' is reflective of the role of the manufacturing sector in steering the nation towards a progressive and vibrant economy under the three guiding principles of high income, sustainability and inclusiveness as stated in the National Economic Model (NEM).

"We have to work hard to achieve the goals of the NEM, given the host of

economic growth constraints confronting certain sectors.

"There is a task ahead for the public and private sectors in Sabah to achieve national targets, which includes raising the per capita income from USD7,000 (but under USD 4,000 for Sabah) to USD15,000 in 2020," he said.

According to Musa, this decade will see a private sector driven economy in the form of investment in projects, while the government supports projects by providing infrastructure facilities.

"The public and private sectors need to work hand in hand in bringing higher growth to the nation," he said.

"As in all economies, Sabah's socio-economic

performance is faced with challenges that confront all industries, slowing its capacity to achieve its full potential.

"Our manufacturing sector has seen its share of obstacles, key among them is the high cost of doing business, including freight charges, which also negatively impact other sectors.

"While there are no overnight solutions, these are issues that warrant deep security as they involve and affect many stakeholders," he said. Musa said FSM and other trade chambers and associations are regularly highlighting key issues to the state and federal governments through various channels including through meetings and dialogues. ♦ Continued In A2

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He added that the government remains responsive to the needs and issues raised by FSM, as the manufacturing sector is one of three engines of growth identified to drive Sabah's socio-economic development and advancement. The determination of FSM and others is paying off.

"I must stress on the need for the private sector as an engine of growth to source new avenues and opportunities in the manufacturing sector. As I have continuously emphasised, adding value to products and services is crucial in our quest to set ourselves apart in a highly competitive global economy," he said.

"There is also a need for all stakeholders to identify the right courses and training programmes to equip our workforce with the necessary knowledge and skills to operate advanced infrastructure and provide manpower to

industries, especially those that focus on value adding services.

"To emerge as a winner in becoming a high income nation, we need to focus on key competitive human resource strategies.

"This will include enhancing the level of professionalism, productivity and competence among local workers, comparable to world standards.

"I would like to see FSM's participation in providing the right industrial training which can be done in collaboration with the government training institutions. I was made to understand that FSM has acquired a licence to operate a training institute, which will be located at Wisma FSM," he added.

When commenting on a call by the FSM president earlier that asked the state government to look into the land issue involving the land lease extension, Musa assured that he would bring this matter directly to the Land and Survey Department director Datuk Osman Jamal to look into the land issue.

Meanwhile, FSM president Datuk Seri Panglima Wong Khen Thau said they are supporting the government's call to reduce the number of foreign workers in order to clear

the path for locals to take over.

However, employers faced the problem of recruiting and retraining locals as locals perceive factory work as demeaning.

"The fact remains that the manufacturing and other labour intensive sectors still need foreign workers, and the move must ensure that the local labour market is sufficient to meet industry needs, both in numbers and in the level of productivity that is comparable to global standards," he said.

According to Wong, the industrial sector is also facing difficulties in land lease extension.

"Industrial landowners bemoan the difficulty in strategic business planning and securing banking facilities for expansion and growth.

"Banks require industrial land to have at least 30 years of unexpired lease to qualify as collateral and the sad fact is, some lands have only 15 years left as of today.

"There are no clear and transparent guidelines for approval of land lease extensions, nor the premium rate and the formula used.

"Industrial lands are imposed significantly higher premium than agricultural land by the government when the returns from industrial activities outweigh those of agricultural lands," he said.

The FSM was taking action to address the land lease extension issue and meetings had been held, he added.