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## Make high-income dream a reality

BACK ON THE AGENDA

# MAKE HIGH-INCOME DREAM A REALITY

**I**t is unfortunate that Vision 2020 failed to deliver the developed nation status that we craved for. However, it is equally unfortunate that there has been no analysis of why Vision 2020 failed.

This analysis would have provided valuable lessons as we reinvigorate that high-income plan.

The country has been stuck in the middle-income trap because of many reasons.

One is that we have failed to secure high-value foreign and domestic investments to drive the economy.

Instead, we have been stuck in the low technology, labour intensive and low value-added sectors for too long.

Many of our economic drivers are too dependent on the low unskilled workforce to deliver revenue, so much so that we have been taken to ransom by low-cost foreign labour.

The Covid-19 pandemic exacerbated the situation. Many sectors are suffering from a lack of workers.

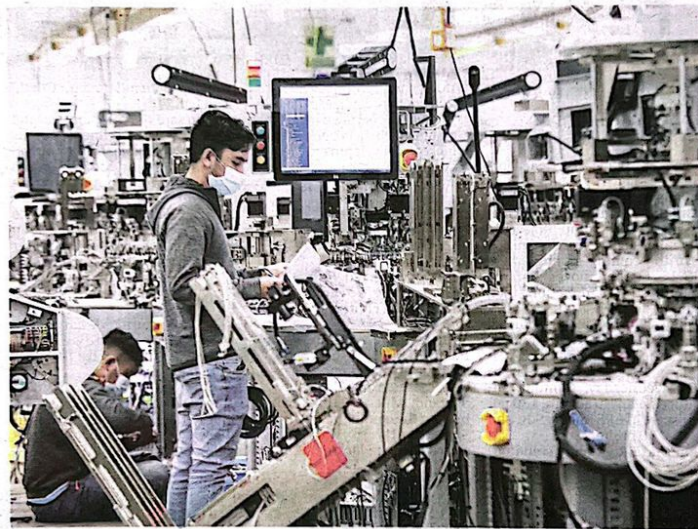
The plantations industry is clamouring for more workers.

The services sector is equally impacted. The situation is made worse by the fact that the foreign supply of labour is also shrinking as traditional source countries need more labour for their economy.

Many analysts have proposed steps to get the nation out of the middle-income trap.

A study of Vision 2020 will reveal these obstacles.

What is common among the ideas



Many experts say the country should venture into high-technology and high-skilled sectors. FILE PIC

is for the country to venture into high technology and high-skill sectors.

These are sectors that demand high-value skills in design and branding.

Many would remember our Industrial Master Plan 2 (IMP 2), which was to get the manufacturing sector to embrace product and business innovation and marketing.

IMP2 did not get anywhere. We need to find out the reasons for this as the plan may be revived for downstream industries.

Looking back, that was also the

time when countries like South Korea were in the same situation as ours.

They obviously were more successful in embracing manufacturing.

Now South Korea has many international brands, including Samsung in the digital gadgets sector and Kia in the automotive business.

Apart from international branding, South Korea attributes the country's high-technology high-value economic success to aggressive investment in technology.

It went about creating one of the most successful research and development ecosystems in the world.

South Korea built technological strength by partnering with the best in the world followed by strengthening local skills.

The country's R&D expenditure at five per cent of gross domestic product now is among the highest in the world. And the bulk of its R&D spending is by the business sector.

We must laud the announcement by the economy minister to revisit our high-income strategy.

For the initiative to work, investment in space technology must take priority.

The 12th Malaysia Plan has given an excellent outline of the technology areas we need to focus on.

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