



STRONG POTENTIAL

THE WAY FORWARD FOR AGRICULTURE — DAIM

Daim believes with a good strategy, the agriculture sector can become a major gross domestic product contributor

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LET'S go big with agriculture! That was the simple message uttered by Tun Daim Zainuddin, one-time finance minister and most recently, chairman of the Council of Eminent Persons under the Pakatan Harapan government.

For someone who's been associated with finance for decades, Daim's call for agriculture demands attention and scrutiny. He's a private citizen now, but his views and comments have always attracted attention.

When Daim speaks, it's good to pay attention — such remarks were not uncommon to hear coming from the public, especially those who know him well.

Why agriculture?

"It's simple. There is so much potential in agriculture. Anyone venturing in it can have a high income and at the same time help the country," Daim said in an interview at his office at Menara Itham in Kuala Lumpur three days ago.

If you listen carefully to his remarks, you can see that the man has done real research on the subject. Not only that, Daim has also gone on site visits to personally meet agriculture activists and believers.

He said: "Agriculture remains an important sector in Malaysia. It still plays an important role as

food providers, creates employment and generates earnings from exports.

"In 1970, agriculture represented 28.8 per cent of the national GDP. However, in 2017, it contributed only 8.2 per cent of the national GDP compared with manufacturing (23 per cent) and the services sector (54.5 per cent)."

The statistics present a disturbing trend. When asked why this was so, Daim said agriculture has so many challenges that must be addressed quickly and in a holistic manner. Low productivity, rising production costs, limited financing, small investment from the private sector and insufficient number of skilled farmers were among them.

Over the past decades, the government paid so much attention to industrial development that agriculture was neglected. It wasn't wrong to focus on the industrial sector as it did help push the nation to become one of the Asian tigers.

But by leaving agriculture on its own, the sector's growth has been poor compared with the others. To be fair, agriculture did put up a notable showing and created its own excitement with well-attended annual exhibitions such as Maha (Malaysia Agriculture, Horticulture and Agrotourism exhibition).

No doubt Maha generated a lot of interest in the local population. But the sector has to do much more to bring itself back to its

former level in contributing to the national GDP. And Daim is confident that this can be done, provided a concerted and well-coordinated strategy is put in place and its execution closely monitored.

What is the basis of Daim's confidence in agriculture?

"There is local expertise available in the industry. There are also hard-working farmers. And there is skilled management expertise from the industrial crop sector which forms the basis of a strong talent pool," he said.

Skilled managers from big plantations, including those who have retired, can offer their expertise to agriculture entrepreneurs. We all know that some retirees continue to serve the country well beyond their official retirement years.

Daim realised that these alone are not enough to give agriculture the big, game-changing boost. With renewed interest in agriculture shown by top government leaders led by Prime Minister Tun Dr Mahathir Mohamad, Daim said the sector is bound to rise and live up to its expectation in the coming years.

He was confident that a bigger budget is on the cards for agriculture. October is budget month, meaning there is time for serious industry players to plan their projects carefully.

What really ailed the agriculture sector, Daim was asked. He didn't want to undermine the official agencies that have been

tasked with making the sector grow and prosper. But he did say that it is time to set up "one body to coordinate the work done by the many agencies which mostly work in isolation".

He may be right. The Agriculture and Agro-based Industry Ministry has no less than 14 agencies under it, which logically should help promote the sector strongly and aggressively. The ministry itself was helmed by several ministers at different times.

When asked if a lack of follow through was one of the reasons for the lacklustre performance of the agriculture sector, Daim agreed, adding that "there were policies but the execution was poor". The former finance minister is not one to mince his words, as many know.

Daim went on: "Presently, there is the National Agrofood Policy (NAP), which was developed in 2010. The policy covers the period of 2011 to 2020. Under this initiative, the agriculture sector is targeted to increase the gross national income by RM28.9 billion to RM49.1 billion.

"The sector is also targeted to create more than 109,000 job opportunities by 2020, primarily in the rural areas."

During the interview, it was quite apparent that Daim had applied his meticulous approach to agriculture in the same way he did to finance when he was a member of the cabinet. Paying attention to detail and actual

ground visits — these were becoming obvious throughout the hour-long interview.

He suggested that there must be clear and specific key performance index in the whole sector — different KPIs for different categories. The KPIs should clearly identify targets in terms of GDP contribution and growth for each sector. Makes sense, doesn't it?

Daim was quick to give a word of caution — don't expect overnight results in agriculture! More efforts need to be taken to strengthen human capital to ensure sufficient skilled labour in the sector.

This includes the use of modern technology and mechanisation to reduce the dependency on manpower. The government also needs to fine tune incentives for the private sector to invest in the agriculture and agro-based industry.

Daim said the agencies under the ministry and the ministry itself must seriously relook at improving the agriculture assistance framework and not be passive. There are individuals who have done well in agriculture and they must be encouraged and supported to do more.

"Go see them and help them. They are passionate about agriculture. And that passion is a key ingredient to real success in the field. I've visited and talked to them. People like them can help lift our agriculture to another level," he said in the interview.

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