

MAHATHIR

18 P
PENANG, MARCH 26 (BERNAMA) -- THE SPECIAL INVESTMENT COMMITTEE HEADED BY DEPUTY PRIME MINISTER DATUK SERI DR. MAHATHIR MOHAMAD IS NOW LOOKING OVER ALL THE AGENCIES INVOLVED WITH INVESTMENTS WITH A VIEW TO CO-ORDINATING THEM AND REDUCING BUREAUCRATIC PROCEDURES TO THE BARE ESSENTIALS.

THE COMMITTEE WILL ALSO HAVE A +SECOND OR THIRD LOOK+ AT SOME OF THE INTERPRETATIONS OF POLICIES WHICH HAVE GIVEN RISE TO COMPLAINTS AND CONSEQUENTLY, RIGHTLY OR WRONGLY, TO CLOUD THE INVESTMENT CLIMATE, DATUK SERI DR. MAHATHIR SAID HERE TODAY.

THE COMMITTEE PAID SPECIAL ATTENTION TO THE IMPLEMENTATION OF EXISTING LAWS AND POLICIES BEFORE IT COULD CONSIDER NEW LAWS OR POLICIES BECAUSE IT WAS AT THIS STAGE THAT MISUNDERSTANDINGS AND UNCERTAINTIES WERE CREATED, HE ADDED.

DATUK SERI DR. MAHATHIR WAS SPEAKING AT THE OPENING OF THE PENANG CHINESE CHAMBER OF COMMERCE 75TH ANNIVERSARY CELEBRATIONS AT THE DEWAN SRI PINANG. IT WAS ATTENDED BY ABOUT 500 GUESTS, INCLUDING BUSINESS REPRESENTATIVES FROM SINGAPORE, THAILAND, HONG KONG AND THE PHILIPPINES.

DATUK SERI DR. MAHATHIR, WHO IS ALSO MINISTER OF TRADE AND INDUSTRY, SAID THAT BY SPELLING OUT THE CORRECT INTERPRETATION OF LAWS AND POLICIES, MANY DOUBTS AND UNCERTAINTIES WOULD BE BANISHED. -- BERNAMA MORE 1435/LK

MAHATHIR 2 PENANG

222
THERE WAS STILL, FOR EXAMPLE, SOME DEGREES OF UNCERTAINTY ON THE PART OF PRIVATE INVESTORS ON THE REAL MEANING AND INTENTION OF THE INDUSTRIAL CO-ORDINATION ACT (ICA).

HIS MINISTRY HAD RECEIVED VARIOUS REPRESENTATIONS FROM CHAMBERS OF COMMERCE AND MANUFACTURERS ASSOCIATIONS AND HE ASSURED THAT THEIR RECOMMENDATIONS HAD ALL BEEN ACTIVELY LOOKED INTO.

DATUK SERI DR. MAHATHIR EXPLAINED THAT THE ICA HAD THE PRIMARY PURPOSE OF ENSURING THE ORDERLY EXPANSION OF INDUSTRY.

+I WOULD ALSO LIKE TO RE-EMPHASISE THAT IT IS NOT THE INTENTION OF THE GOVERNMENT TO USE THE ACT AS A COERCIVE INSTRUMENT TO EITHER HINDER, OBSTRUCT OR RESTRICT THE GROWTH OF PRIVATE INVESTMENT IN THE COUNTRY,+ HE ADDED.

IF, AS THE MISINFORMED CLAIMED, THE ICA WAS A DETERRENT TO INVESTMENT, SURELY THERE WOULD NOT BE A SINGLE EXISTING INVESTOR VENTURING INTO EXPANSION PROJECTS OR MANUFACTURING NEW PRODUCT LINES.

IN 1976, THE YEAR THE ICA WAS ENFORCED AND THE PROTESTS MOST VOCIFEROUS, OF THE 394 APPLICATIONS RECEIVED, 183 WERE FROM EXISTING MANUFACTURERS SEEKING APPROVAL TO EXPAND.

LIKewise, LAST YEAR, 150 OF THE 429 APPLICATIONS RECEIVED WERE FOR EXPANSION PROGRAMMES, REPRESENTING 35 PERCENT OF THE TOTAL APPLICATIONS, DATUK SERI DR. MAHATHIR STRESSED.

HE ASSURED INVESTORS THAT THE GOVERNMENT WOULD CERTAINLY NOT KILL THE +GOOSE THAT LAYS THE GOLDEN EGGS+. --BERNAMA

MAHATHIR 3 PENANG

HE URGED THOSE WHO HAD PROBLEMS TO RAISE THEM AND TO POINT OUT WHERE ACTION SHOULD BE TAKEN TO CORRECT ANOMALIES.

THE GOVERNMENT HAD PROVEN ITSELF TIME AND AGAIN TO BE FLEXIBLE AND ACCOMMODATING TO THE REALISTIC DEMANDS AND PROBLEMS OF THE PRIVATE SECTOR.

THIS WAS INDICATED, HE ADDED, BY THE FACT THAT WHEREAS INITIALLY UNDER THE ICA, ALL MANUFACTURING PROJECTS WERE REQUIRED TO GET APPROVAL, THE ACT NOW REQUIRED ONLY THOSE MANUFACTURING ACTIVITIES OF CERTAIN SIZE TO BE LICENSED.

PROJECTS WITH SHAREHOLDERS' FUNDS BELOW \$250,000 AND THOSE EMPLOYING LESS THAN 25 FULLTIME EMPLOYEES WERE NOW EXEMPTED FROM THE PROVISIONS OF THE ACT.

THE GOVERNMENT WAS ALSO PREPARED TO CONSIDER THE VARIATION OF, AND DEFERMENT FROM, COMPLYING WITH SPECIFIC CONDITIONS DEPENDING ON THE MERITS OF EACH CASE, DATUK SERI DR. MAHATHIR SAID.

HE ASSURED THAT THE GOVERNMENT WOULD CONTINUE TO IMPLEMENT THE ACT WITH PRAGMATISM AND THE MAXIMUM OF FLEXIBILITY AND IF AGREED CONDITIONS PROVED PROBLEMATIC, THE GOVERNMENT WOULD RECONSIDER THEM.

HE POINTED OUT THAT SO FAR, NOT A SINGLE EXISTING MANUFACTURING ENTERPRISE HAD BEEN REFUSED A LICENSE SOLELY BECAUSE OF THE ICA.

— BERNAMA MORE 1446/LK

MAHATHIR 4 PENANG

HE APPEALED TO MANUFACTURERS WHO HAD YET TO APPLY FOR ICA LICENSES TO DO SO IMMEDIATELY, OTHERWISE THEY MIGHT FACE LEGAL ACTION.

THE DEPUTY PRIME MINISTER ALSO CLARIFIED SOME MISUNDERSTANDING OVER THE GOVERNMENT'S EQUITY PARTICIPATION POLICY WITHIN THE FRAMEWORK OF THE NEW ECONOMIC POLICY.

IN MANUFACTURING PROJECTS ALMOST ALL PROJECTS WHERE MALAYSIAN EQUITY PARTICIPATION WAS INVOLVED (I.E. THE DOMESTIC MARKET ORIENTED PROJECTS) WERE REQUIRED TO RESERVE AT LEAST 30 PER CENT OF THEIR ISSUED SHARES FOR SALE TO BUMIPUTRAS.

HE STRESSED THAT THE IMPLEMENTATION OF THE +RESERVED SHARES+ WAS FLEXIBLE AND NO PROJECTS HAD BEEN OR WOULD BE PREVENTED FROM BEING IMPLEMENTED SIMPLY BECAUSE IT COULD NOT FULFILL THIS CONDITION.

IN KEEPING WITH THIS FLEXIBILITY, COMPLIANCE OF THE +RESERVED SHARES+ CONDITION WOULD BE DEFERRED IF THE COMPANY CONCERNED FAILED TO OBTAIN SUITABLE BUMIPUTRA PARTIES TO PURCHASE SUCH EQUITY SHARES DESPITE HAVING MADE GENUINE EFFORTS TO DO SO.

IN SUCH CASES, THE COMPANY COULD CONFORM TO THE APPROVED CONDITION AFTER SEVERAL YEARS, WHEN THE +RESERVED SHARES+ NEED NOT BE ISSUED AT +PAR VALUE+ BUT AT A MARKET PRICE TO BE MUTUALLY AGREED UPON. — BERNAMA MORE 1455/LK

MAHATHIR 5 PENANG

PENANG CHIEF MINISTER DR. LIM CHONG EU, WHO ALSO ADDRESSED THE GATHERING, URGED THE LOCAL MERCHANTS AND TRADERS TO EMBARK ON MORE JOINT VENTURES AND TO FULLY UTILISE THE FACILITIES PROVIDED IN THE FREE TRADE ZONES.

HE HOPED THE EXISTING DOMESTIC +COTTAGE-INDUSTRIES+ WOULD EXPAND SO THAT THEY COULD SEEK LARGER MARKETS.

THE PRESIDENT OF THE PENANG CHINESE CHAMBER OF COMMERCE, ENCIK KOH PEN TING, SAID THAT THE IMPLEMENTATION OF THE THIRD MALAYSIA PLAN HAD REVEALED CERTAIN FLAWS WHICH LED TO SOME DIGRESSION FROM THE ORIGINAL AIMS, RESULTING IN UNDESIRABLE AND SOMETIMES, NEGATIVE EFFECTS.

THE CHINESE INDUSTRIAL AND COMMERCIAL SECTORS WOULD SOON HOLD AN ECONOMIC CONFERENCE TO REVIEW THE POSITION OF THE MALAYSIAN CHINESE IN NATIONAL ECONOMIC DEVELOPMENT AND TO PRESENT PROPOSALS FOR CONSIDERATION BY THE GOVERNMENT.

HE HOPED THE GOVERNMENT WOULD UNDERSTAND THEIR DIFFICULTIES, AND ON THE BASIS THAT THE INTERESTS OF THE CHINESE COINCIDED WITH THE INTERESTS OF OTHER COMMUNITIES AND THE OVERALL NATIONAL INTERESTS, WOULD CONSIDER AND ACCEPT THE PROPOSALS WITH UNDERSTANDING. -- BERNAMA 1513/LK