

57

MAHATHIR ON NEW ECONOMIC POLICY

FROM ANNE KOH

TOKYO, NOV. 1 (BERNAMA ES) --DATUK SERI DR. MAHATHIR MOHAMED OPENED A MALAYSIAN INVESTMENT PROMOTION SEMINAR HERE TODAY WITH AN ASSURANCE TO FOREIGN INVESTORS THAT MALAYSIA'S NEW ECONOMIC POLICY WOULD BE ACHIEVED THROUGH GROWTH AND NOT THROUGH NATIONALISATION AND EXPROPRIATION.

HE SAID THE NEP'S TARGET OF ECONOMIC DISTRIBUTION OF 30 PER CENT FOR THE BUMIPUTRAS, 40 PER CENT NON-BUMIPUTRAS AND 30 PER CENT FOR THE FOREIGNERS BY 1990 DOES NOT MEAN A REDUCTION IN FOREIGNERS' HOLDINGS.

"IT MERELY MEANS THAT GROWTH FOR THE BUMIPUTRA AND NON-BUMIPUTRA SECTORS WILL BE RELATIVELY FASTER THAN FOR FOREIGNERS," THE DEPUTY PRIME MINISTER SAID.

"THERE WILL BE NO NATIONALISATION OR EXPROPRIATION ALTHOUGH LEGITIMATE ACQUISITION THROUGH PURCHASE OF SHARES MAY BE DONE."

DATUK SERI DR. MAHATHIR, WHO IS ALSO THE MINISTER OF TRADE AND INDUSTRY, IS LEADING A 42-MEMBER MALAYSIAN INVESTMENT PROMOTION MISSION TO JAPAN. THE GROUP INCLUDES 31 PRIVATE SECTOR PARTICIPANTS.

TODAY'S SEMINAR, THE FIRST OF THREE TO BE HELD HERE AND IN OSAKA, WAS ATTENDED BY 150 REPRESENTATIVES FROM LEADING JAPANESE COMPANIES.

DATUK SERI DR. MAHATHIR SAID THE AIM OF THE NEP WAS TO PRODUCE A MORE HOMOGENOUS SOCIETY.

SINCE THIS WAS NOT EASY TO ACHIEVE, 1990 HAD BEEN SET AS THE TARGET DATE.

ALSO, THE GOVERNMENT HAD OPTED FOR A POLICY OF FLEXIBILITY RATHER THAN RIGIDITY IN IMPLEMENTING ITS PROPOSALS.

THERE HAVE BEEN SOME "TEETHING PROBLEMS", HE SAID, BUT BY AND LARGE, THE BUMIPUTRA ASPECT OF THE NEP HAS BEEN ACCEPTED AND IS CAUSING MINIMUM INCONVENIENCE TO FOREIGN INVESTORS.

THE DEPUTY PRIME MINISTER ELABORATED AT LENGTH THE PURPOSE OF THE INDUSTRIAL CO-ORDINATION ACT, SAYING HE WAS AWARE THAT THERE WAS SOME APPREHENSION AND MISUNDERSTANDING ABOUT ITS IMPLEMENTATION AMONG FOREIGN INVESTERS.

HE TOLD THE SEMINAR THAT INDUSTRIAL PROJECTS IN MALAYSIA HAD ALWAYS BEEN SUBJECT TO GOVERNMENT APPROVAL AND THAT THE ICA WAS MERELY LEGALISING ALREADY EXISTING POLICY.

HE SAID LICENCES OF MANUFACTURING ACTIVITIES WERE ISSUED ONCE AND FOR ALL AND NEED NOT BE RENEWED ANNUALLY.

IN THE CASE OF EXISTING PROJECTS, LICENCES WERE ISSUED AUTOMATICALLY.

"VARIATIONS OF AND DEFERMENT FROM COMPLYING WITH SPECIFIC CONDITIONS CAN BE CONSIDERED ON THE MERITS OF EACH CASE.

"YOU HAVE MY ASSURANCE THAT THE ACT WILL NOT BE ALLOWED TO BECOME A DISINCENTIVE TO PRIVATE INVESTMENT."

DATUK SERI DR. MAHATHIR ALSO TOUCHED ON THE GOVERNMENT'S MONETARY POLICY POINTING OUT THAT EXCHANGE CONTROL REGULATIONS PERMITTED THE FREE MOVEMENT OF CAPITAL AND RETURNS FROM CAPITAL IN AND OUT OF MALAYSIA.

THERE WERE VERY FEW REGULATIONS RESTRICTING THE ACTIVITIES OF FOREIGN INVESTORS.

THE DEPUTY PRIME MINISTER ASSURED PARTICIPANTS THAT THERE WOULD NOT BE UNDUE DELAY OR HINDRANCE IN THE DISPOSAL OF PROFITS AND DIVIDENDS.

DATUK SERI DR. MAHATHIR TOLD THE JAPANESE PARTICIPANTS THAT MALAYSIA HAD THE NATURAL RESOURCES, MANPOWER, INFRASTRUCTURE, THE ECONOMIC AND MONETARY STRENGTH AND THE POLITICAL AND FINANCIAL STABILITY.

WHAT SHE REQUIRED TO ENABLE HER TO SUCCEED IN INDUSTRIAL DEVELOPMENT EFFORTS WAS THE TECHNICAL KNOW-HOW, MANAGEMENT SKILLS, CAPITAL AND THE EXPORT - MARKETING OUTLETS.

"WE ARE AWARE THAT THESE PREREQUISITES FOR RAPID INDUSTRIAL GROWTH ARE AVAILABLE IN JAPAN.

"WHAT WE PROPOSE IS A COMBINATION OF THE RESOURCES AVAILABLE IN MALAYSIA AND THOSE AVAILABLE WITHIN THIS COUNTRY IN THE ESTABLISHMENT OF JOINT-VENTURE PROJECTS WHICH WILL BRING MUTUAL BENEFITS TO MALAYSIA AND TO THE INVESTING COMPANIES."

DATUK SERI DR. MAHATHIR SAID THE INVESTMENT MISSION HAD COME TO JAPAN BECAUSE MALAYSIA THOUGHT HER ECONOMIC PROGRAMMES COULD COMPLEMENT THOSE OF JAPAN.

HE SAID JAPAN, LIKE OTHER DEVELOPED NATIONS, MIGHT BE FACING PROBLEMS AND THE AVAILABILITY AND INCREASED COST OF LAND, LABOUR AND RAW MATERIAL RESOURCES MADE IT INCREASINGLY DIFFICULT FOR JAPAN TO COMPETE IN THE WORLD MARKETS.

"WE FEEL MALAYSIA CAN ASSIST YOU SO THAT YOU WILL BE ABLE TO CONTINUE TO MANUFACTURE YOUR PRODUCTS COMPETITIVELY TO SERVE THE WORLD.

"REMEMBER THE YEN YOU HAVE WILL BUY THE RAW MATERIALS AS CHEAPLY IN MALAYSIA AS IT IS IN JAPAN. BUT YOUR LABOUR AND OTHER SERVICES WILL NEVER BE AS CHEAP AS IN MALAYSIA."

HE SAID THE MISSION WAS HERE TO OFFER AN OPTION TO THOSE WHO WISH TO EXPAND THEIR OPERATIONS OVERSEAS, TO MAINTAIN OR INCREASE THEIR COMPETITIVE POSITION IN WORLD MARKETS, OR WHO HAD CURRENT PROBLEMS OF LAND, LABOUR AND RAW MATERIALS TO CONSIDER MALAYSIA AS A POTENTIAL SITE FOR THEIR NEW INVESTMENTS.

"MALAYSIA WELCOMES JAPANESE INVESTORS TO JOIN US IN OUR EFFORTS TO CREATE IN MALAYSIA A MODERN AGRICULTURAL AND INDUSTRIAL DEVELOPMENT.

"WHAT WE SEEK IS NOT HANDOUTS OR GIFTS OR GRANTS. WE ARE LOOKING FOR MUTUALLY BENEFICIAL ECONOMIC PROJECTS THAT CAN BE LAUNCHED WITH THE ASSISTANCE OF JAPANESE TECHNICAL KNOW-HOW, MANAGEMENT SKILLS AND INTERNATIONAL MARKETING EXPERTISE." - BERNAMA ECONOMIC SERVICE 1950/BW