

KUALA LUMPUR, NOV. 16 (BERNAMA) — MALAYSIA IS CONFIDENT THAT SHE IS ON THE THRESHOLD OF AN EXPANSIONARY PHASE IN INVESTMENT. THE DEPUTY PRIME MINISTER, DATUK SERI DR. MAHATHIR MOHAMAD, SAID TODAY.

HE SAID FOR THE FIRST SEVEN MONTHS OF THIS YEAR THE NUMBER OF PROJECTS APPROVED INCREASED FROM 162 TO 195.

THIS REPRESENTED AN INCREASE IN CAPITAL INVESTMENT OF \$261 MILLION TO \$470 MILLION AGAINST THE CORRESPONDING PERIOD LAST YEAR.

HE WAS SPEAKING AT AN INVESTMENT BRIEFING AND CLOSED-DOOR DIALOGUE, ORGANISED BY THE MALAYSIAN INSTITUTE OF MANAGEMENT HERE.

ABOUT 130 CHIEF EXECUTIVES OF BUSINESS AND INDUSTRIAL HOUSES ARE ATTENDING THE DAY-LONG BRIEFING AND DIALOGUE.

THE GOVERNMENT SIDE HEADED BY DATUK SERI DR. MAHATHIR, WHO IS ALSO THE MINISTER OF TRADE AND INDUSTRY, COMPRISED FINANCE MINISTER, TENGKU RAZALEIGH HAMZAH, TRANSPORT MINISTER, TAN SRI V. MANICKAVASAGAM, LABOUR AND MANPOWER MINISTER, DATUK RICHARD HO AND PUBLIC ENTERPRISE MINISTER, ENCIK MANAN OTHMAN. SENIOR OFFICIALS OF THE RESPECTIVE MINISTRIES WERE ALSO PRESENT. —
BERNAMA MORE 1337/A1

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NO22: (F)

MAHATHIR 2 KUALA LUMPUR

DATUK SERI DR. MAHATHIR SAID MALAYSIA HAD SUCCESSFULLY +TURNED THE CORNER+ AGAINST SLUGGISH INVESTMENT.

THE FIGURE FOR PRIVATE INVESTMENT DID SHOW AN ACTUAL SMALL DECLINE IN 1975.

BUT THIS TURNED INTO AN INCREASE OF FOUR PER CENT IN 1976 AND THEN ROSE BY 8.2 PER CENT LAST YEAR.

HE SAID LAST YEAR 400 PROJECTS WERE APPROVED, REPRESENTING A CAPITAL INVESTMENT OF \$882 MILLION WITH THE POTENTIAL TO CREATE 29,600 JOBS.

OF THESE PROJECTS, 201 WERE ENTIRELY MALAYSIAN OWNED, EIGHT WHOLLY FOREIGN OWNED AND 181 JOINT VENTURES. — BERNAMA MORE 1339/A1

MAHATHIR 3 KUALA LUMPUR

THE DEPUTY PRIME MINISTER NOTED THAT INVESTMENT FOR EXPANSION AND DIVERSIFICATION TYPE PROJECTS HAD RISEN BY 190 PER CENT.

+WE HAVE ALSO SEEN INVESTMENT ON AN UNPRECEDENTED SCALE WITH THE FORMATION OF MALAYSIA LNG SDN. BHD. WHICH REPRESENTS THE BIGGEST SINGLE FINANCIAL COMMITMENT TO DATE IN THIS COUNTRY IN WHAT IS ALSO A HIGH TECHNOLOGY VENTURE,+ HE SAID.

DATUK SERI DR. MAHATHIR ALSO SAID THAT DURING THE 1975-1980 PERIOD MALAYSIA AIMED TO RAISE FOREIGN HOLDINGS IN THE SHARE CAPITAL OF LIMITED COMPANIES BY \$3,518 MILLION TO \$8,952 MILLION.

THIS INCREASE, HOWEVER, WOULD BE RELATIVELY LOWER THAN THE RISE IN PROJECTED SHARE CAPITAL OF \$9,890 MILLION TO \$20,527 MILLION.

HE SAID FOREIGN SHARE CAPITAL WAS THEREFORE, PROJECTED TO FALL FROM 54.9 PER CENT TO 43.6 PER CENT.

+IN OTHER WORDS DESPITE WORKING HARD TO INCREASE FOREIGN INVESTMENT, WE ARE REALLY ACTIVELY REDUCING IT,+ HE SAID.
— BERNAMA MORE 1346/A1

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NO24 (F)
MAHATHIR 4 KUALA LUMPUR

ON THE INDUSTRIAL CO-ORDINATION ACT (ICA) DATUK SERI DR. MAHATHIR SAID TOO MANY WERE STILL ADOPTING A +WAIT-AND-SEE+ ATTITUDE TOWARDS IT.

HE SAID THE GOVERNMENT BELIEVED THE ICA COULD BE BENEFICIAL AND PROTECTIVE.

+WE DO NOT WANT TOO MANY COMPETING FOR SCARCE RESOURCES OR FOR A TOO LIMITED MARKET,+ HE ADDED.

HE ASKED THE PRIVATE SECTOR IF ANY OF THEM COULD PRODUCE CONCRETE CASES WHERE THE POWERS OF THE ICA HAD BEEN ABUSED OR WOULD EVER BE ABUSED BY THE PRESENT GOVERNMENT.

HE SAID THE GOVERNMENT WAS MORE THAN WILLING TO LISTEN AND TRY TO ACCOMMODATE THE GENUINE INVESTORS, LOCAL OR FOREIGN.

— BERNAMA MORE 1400/SZ

MAHATHIR 5 KUALA LUMPUR

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HE SAID FOR EXAMPLE IT WAS THE INVESTORS' CONCERN THAT INFLUENCED THE GOVERNMENT TO AMEND THE PETROLEUM DEVELOPMENT ACT.

THE ICA ITSELF WAS AMENDED IN AUGUST LAST YEAR AFTER NUMEROUS CONSULTATIONS WITH THE PRIVATE SECTOR AND THE GOVERNMENT HAD ALSO GIVEN ITS PLEDGE TO REVIEW IT FROM TIME TO TIME, HE ADDED.

HE STRESSED THE GOVERNMENT WAS NOT PREPARED TO AMEND IT IN ANYWAY THAT WOULD DO INJURY TO THE BASIC OBJECTIVES FOR WHICH IT WAS SET UP.

ON HIS INVESTMENT PROMOTION MISSIONS ABROAD, DATUK SERI DR. MAHATHIR SAID THE MISSIONS RETURNED WITH A NUMBER OF JOINT-VENTURE PROPOSALS, SEEKING LOCAL PARTNERS.

FIRM COMMITMENTS FROM JAPAN ALONE AMOUNTED TO ABOUT \$30 MILLION, HE SAID.

HE SAID THE GOVERNMENT HAD DONE ITS PART TO PROMOTE INVESTMENT IN THIS COUNTRY AND HE CALLED ON THE PRIVATE SECTOR TO DO THE FOLLOW-UP.

+WE HAVE PROMISED A SMALL BUT LARGER MARKET.+ HE ADDED.

MAHATHIR 6 KUALA LUMPUR

THE DEPUTY PRIME MINISTER ALSO SAID THAT THE VISIT LAST WEEK OF CHINESE VICE-PREMIER TENG HSIAO PENG WAS A SIGNIFICANT PLUS FACTOR IN SUPPORT OF THE DETERMINED NEUTRALITY OF SOUTHEAST ASIAN REGION FOLLOWING THE END OF THE VIETNAM WAR.

+OUR LONG-TERM PROSPECTS REST IN THE HOPE OF REGIONAL ECONOMIC CO-OPERATION,+ HE SAID.

HE ADDED ASEAN WAS GETTING SOME SEMBLANCE OF COHESION AND WITH THE INCREASING TEMPO OF COMMERCIAL ACTIVITY AND THE IDENTIFICATION OF INDUSTRIAL PROJECTS, IT WAS MOVING BEYOND THE TALKING STAGE.+

+OUR MOST OPTIMISTIC SCENARIO SEES ASEAN AS AN ALTERNATIVE TO THE INDO-CHINA BLOC AND BELIEVES THAT POLITICAL RELATIONSHIPS COULD BE HARMONISED BETWEEN THE TWO ON THE BASIS OF ECONOMIC CO-OPERATION.+

THE ASEAN COUNTRIES HAD PRACTICALLY ALL THE VITAL RAW MATERIALS REQUIRED BY THE DEVELOPING WORLD.

IN MALAYSIA ALONE, THERE WERE AMPLE SIGNS OF NEW GROWTH, HE SAID. — BERNAMA MORE 1435/SZ

MAHATHIR 7 KUALA LUMPUR

+WE HAVE NEW STRATEGIC RESERVES OF OIL AND GAS. WE CAN SEE NEW INITIATIVES AND INNOVATIONS TRANSFORMING THE CORPORATE LANDSCAPE.

+A NEW ECONOMIC METABOLISM IS AT WORK AS WE ENTER THE SECOND PHASE OF DEVELOPMENT WHERE INDUSTRY WILL TURN OVER TO INTERMEDIATE PROJECTS AND TO SEMI HEAVY GOODS.+

DATUK SERI DR. MAHATHIR SAID THE THIRD STAGE IN LONG-TERM PLANNING MUST BE HEAVY INDUSTRY SUCH AS SHIP BUILDING AND STEEL PRODUCTION -- INDUSTRIES WHICH USED THE WORLD AS THEIR MARKET.

HE SAID IT WAS NOT TOO MUCH TO HOPE THAT MALAYSIA COULD PROVIDE A NEW MODEL FOR FAST GROWTH IN ASIA.

SOUTH KOREA AND TAIWAN SUCCEEDED BY FOLLOWING JAPAN'S EXAMPLE OF PRODUCING CHEAP INDUSTRIAL GOODS ON CHEAP LABOUR FROM THEIR OVER POPULATED NATIONS, HE SAID. -- BERNAMA 1440/SZ
MAHATHIR 8 KUALA LUMPUR (RE-OPENS ITEM 28)

LATER SPEAKING TO REPORTERS, DATUK SERI DR. MAHATHIR DESCRIBED MALAYSIA'S INVESTMENT CLIMATE AS +BETTER THAN THE WORLD AVERAGE.+

HE HAD NO DOUBT THAT THE INVESTMENT CLIMATE HERE HAD IMPROVED BEYOND THAT IN MOST COUNTRIES, EXCEPT THE DEVELOPED NATIONS.

ON THE DIALOGUE, HE SAID IT WAS IMPORTANT FOR THE GOVERNMENT TO KNOW THE PROBLEMS AND THINKING OF INDUSTRY.

+ONCE WE KNOW THEIR PROBLEMS, WE CAN MODIFY AND TAKE CORRECTIVE MEASURES TO MAKE THE CLIMATE OF INVESTMENT MORE SUITABLE,+ HE ADDED.

GENUINE EFFORTS WOULD BE MADE TO OVERCOME INVESTORS' PROBLEMS IF THE COMPLAINTS WERE VALID.

ON LOCAL INVESTORS' RESPONSE TO THE GOVERNMENT'S CALL TO INVEST MORE, THE DEPUTY PRIME MINISTER SAID THE RESPONSE FROM THE BIG INVESTORS WAS GOOD BUT THE SMALL INVESTORS WERE A BIT WORRIED.

HE WARNED THAT IF LOCAL INVESTORS DID NOT RESPOND, THE GOVERNMENT WOULD ALLOW FOREIGNERS TO WHOLLY OWN THEIR COMPANIES.
-- BERNAMA 1655/SZ