

# If private sector does not respond: Dr M

**KUALA LUMPUR** 28 Thurs. — Deputy Prime Minister Datuk Seri Dr Mahathir Mohamad said today that government agencies may be asked to participate in joint ventures with foreign investors if the local private sector does not respond to the call to follow up on the success of the recent investment promotion tours.

He indicated that the Government might even allow the foreign investors to take up the entire equity of such projects.

## Satisfied

"They (Malaysian industrialists) will be losing their chance if they do not take advantage of the tremendous interest generated by the various missions," he told reporters after opening an investment briefing and closed door dialogue with members of the Malaysian Institute of Management.

The day-long dialogue was attended by 127 chief executives from private firms and multi-national corporations.

Present at the dialogue were Finance Minister Tengku Razaleigh Hamzah, Transport Minister Tan Sri V. Manickavasagam, Labour and Manpower Minister Datuk Richard Ho, Public Enterprises Minister Abdul Manan Othman and senior officials from seven Ministries.

Datuk Seri Dr Mahathir, who is also the Trade and Industry Minister, said he had played his part in leading missions to Europe, the United States and Japan.

He said he was however quite satisfied with domestic investments so far.

"The big companies have been responding well but the small ones seem to be still worried," he added.

He said it was not a matter of concern as the small firms were not involved as they would only be setting up small-scale industries by themselves.

Datuk Seri Dr Mahathir, referring to the dialogue, stressed the importance of the Government knowing the "problems and thinking" of the private industrial and business sectors.

The dialogue session was aimed at helping to reactivate investment by locals and also by foreign firms already here by "identifying and ironing out problems" connected with investment in Malaysia.

"Some of the complaints raised at such dialogues as today's would be genuine and the Government has to make genuine efforts to overcome the problems in order to make the climate suitable for investment," he added.

## Results

He described Malaysia's investment climate as better than that of most other developing countries as it had improved to "well above the world average."

The recession in 1974, he said, had affected countries all over the world but the amount of investment activities in Malaysia was encouraging compared to other countries.

On the recent investment promotion tours he led to Europe, the United States and Japan, Datuk Seri Dr Mahathir said the results have been very encouraging judging from the number of enquiries received and the number of investors coming in.

"As a result of the missions, the Germans are coming, the Swiss came and so have the Americans and the Japanese," he said.

He noted that in Japan, the mission found

that the Japanese investors had actually applied to start factories here.

He said only two days ago, another Japanese firm, already with interests here, had told him that they were planning to expand their enterprise in Malaysia.

Datuk Seri Dr Mahathir said the mission found in the countries visited a "tremendous desire to invest in Malaysia." The interest generated was very great, he added.

Asked to compare on the interest generated in the three areas, Datuk Seri Dr Mahathir said it was proportionate to the amount of investments from that country in Malaysia. It was greatest in Japan because Japanese investors constitute the largest single investor here, he added.

Datuk Seri Dr Mahathir said, however, that if a country was not so forthcoming, it did not mean that the potential investors there found the investment climate here to be bad.

Rather it was a reflection of the general attitude of investors there as they might not normally invest in other countries.

Earlier, in his keynote address to the delegates at the dialogue, Datuk Seri Dr Mahathir said investments in Malaysia have "turned the corner" and the country is on the brink of expansion.

Private investment, which actually showed a small decline in 1975, turned into an increase of four per cent in 1976 and 8.2 per cent last year, he said.

A total of 400 projects were approved last year while in the seven months of this year 195 projects have been approved.

The amount of capital investment so far this year amounted to \$470 million — an increase of

\$209 million over the value in the first seven months of last year.

## 'Sensitive'

Datuk Seri Dr Mahathir urged investors to give the Industrial Co-ordination Act "a proper trial" to see if they could live with it.

He was concerned that too many investors were still adopting the "wait-and-see" attitude towards the Act.

He felt that foreign investors might have become "over sensitive" to the increase of regulations around the world as many countries were making significant changes in the terms and conditions for foreign investment.

"And yet there is not one of your organisations which does not believe in co-ordination and control in the interest of efficiency," he added.

Datuk Seri Dr Mahathir said the Act could be beneficial and protective.

"We do not want too many competing for scarce resources or for a too limited market," he added.

He said there appeared to be a very fine line between healthy scepticism and downright unnecessary suspicion.

He asked the participants whether any of them could produce concrete cases where the powers of the Act had been abused.