

MAHATHIR  
(EMBARGO: TO BE RELEASED AFTER 2 P.M.) p

<sup>79</sup>  
KUALA LUMPUR, AUG. 28 (BERNAMA) — DATUK SERI DR. MAHATHIR MOHAMED TONIGHT URGED CHINESE BUSINESSMEN AND OTHER MALAYSIANS TO EXPLOIT THE MANY INVESTMENT OPPORTUNITIES THAT EXIST IN THIS COUNTRY.

THE DEPUTY PRIME MINISTER SAID THEY SHOULD NOT STAND ON THE SIDELINES COMPLAINING THAT THE VARIOUS GOVERNMENT POLICIES WERE INHIBITING THE GROWTH OF CHINESE INDUSTRIAL ACTIVITY.

HOWEVER, IF AFTER HAVING PARTICIPATED IN INDUSTRIAL VENTURES, THEY FOUND THAT THE GOVERNMENT POLICIES HAD CAUSED THEM TO FAIL, THEY HAVE LEGITIMATE GROUNDS FOR COMPLAINTS.

THESE COMPLAINTS, SAID DATUK SERI DR. MAHATHIR, WILL BE GIVEN DUE CONSIDERATION BY THE GOVERNMENT.

THE DEPUTY PRIME MINISTER WAS SPEAKING AT THE 75TH ANNIVERSARY DINNER OF THE SELANGOR CHINESE CHAMBER OF COMMERCE, HERE. —  
BERNAMA MORE 1854/A1

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NO81: (F)  
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HE SAID MANY CHINESE BUSINESSMEN HAD ACCEPTED THE PRINCIPLE THAT ALL MALAYSIANS SHOULD BE ALLOWED TO SHARE THE COUNTRY'S GROWING PROSPERITY AND THEY HAD COME TO THE CENTRE OF THE INDUSTRIAL SCENE ACTIVELY AND PROFITABLY PARTICIPATING IN THE COUNTRY'S INDUSTRIALISATION PROGRAMME IN LINE WITH THE NEW ECONOMIC POLICY.

DATUK SERI DR. MAHATHIR ALSO SAID HE HOPED THE CHINESE BUSINESS COMMUNITY WOULD NOT LET THE INITIATIVE FOR FUELING ECONOMIC GROWTH SLIP FROM THEIR HANDS INTO THOSE OF THE FOREIGN BUSINESS COMMUNITY.

HE SAID OVER THE YEARS, THE COUNTRY HAD WITNESSED THE RAPID INFLOW OF FOREIGN INVESTMENTS FROM MORE THAN 30 CAPITAL AND TECHNOLOGY-EXPORTING COUNTRIES.

HE POINTED OUT THAT ALTHOUGH THE GOVERNMENT WELCOMED AND ENCOURAGED FOREIGN BUSINESS PARTICIPATION AND ALLOWED FOR TOTAL FOREIGN OWNERSHIP UNDER CERTAIN CONDITIONS, THE GOVERNMENT GENERALLY WOULD LIKE TO SEE FOREIGN OPERATIONS DEVELOP WITHIN THE FRAMEWORK OF JOINT-VENTURE RELATIONSHIPS WITH MALAYSIAN INVESTORS. — BERNAMA MORE 1858/A1

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NO82: (F)  
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TOUCHING ON THE INDUSTRIAL CO-ORDINATION ACT (ICA), DATUK SERI DR. MAHATHIR SAID HE REGRETTED THAT THE ASSOCIATED CHINESE CHAMBERS OF COMMERCE, OF WHICH THE SELANGOR CHAMBER IS A MEMBER, HAD BRANDED THE ACT AS +UNDEMOCRATIC+ AND +ABUSE OF POWER,+ AND HAD PROPOSED THAT THE ACT BE REPEALED.

HE REITERATED THAT THE ACT WAS HERE TO STAY ADDING THAT THE GOVERNMENT WAS CONVINCED THE ICA WAS NECESSARY TO PREVENT WASTEFUL COMPETITION CAUSED BY THE ENTRY OF TOO MANY FIRMS IN A PARTICULAR INDUSTRY RESULTING IN EXCESS PRODUCTION CAPACITY AND MISALLOCATION OF RESOURCES.

+CONTROL OF INDUSTRIALISATION IS A FACT OF LIFE WHICH BUSINESSMEN THE WORLD OVER ACCEPT,+ THE DEPUTY PRIME MINISTER SAID.

+I AM, THEREFORE, CONVINCED THAT THE ICA AS IT NOW EXISTS WILL INSTILL GREATER CONFIDENCE AMONG INVESTORS TO IMPLEMENT THEIR PROJECTS IN THIS COUNTRY.+ — BERNAMA MORE 1902/A1

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REGARDING THE ALLEGATION THAT THE ACT WAS UNDEMOCRATIC AND AN ABUSE OF POWER ON THE PART OF THE MINISTER, HE SAID THIS DID NOT ARISE AS THE PROVISIONS OF THE ACT INCORPORATE VARIOUS LEGAL PROCEDURES ON MATTERS PERTAINING TO APPEAL IN THE LICENCE UNDER ICA.

ON THE EFFECT OF THE ACT ON INVESTMENT, HE SAID THE ICA WAS NOT THE MAIN CAUSE FOR ANY SHORTFALL OF INVESTMENT IN THE COUNTRY.

THE DECREASING NUMBER OF INDUSTRIAL PROJECTS APPROVED IN 1975 COULD BE ATTRIBUTABLE TO EXTERNAL FACTORS SUCH AS THE WORLD-WIDE RECESSION EXERCABATED BY THE RECENT OIL CRISIS.

IN ANY CASE, HE SAID, MALAYSIA'S INVESTMENT PICTURE HAD SHOWN A MARKED IMPROVEMENT SINCE THE ICA WAS INTRODUCED.

THE TOTAL PROPOSED CAPITAL INVESTMENT IN COMPANIES APPROVED IN 1978 INCREASED BY 39.6 PER CENT FROM \$882.6 MILLION IN 1977 TO \$1,222.9 MILLION. — BERNAMA MORE 1905/A1

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THE NUMBER OF PROJECTS APPROVED HAD ALSO INCREASED FROM 400 TO 428 IN 1978, HE ADDED.

IN THE CASE OF PROJECTS FOR EXPANSION, THE GOVERNMENT HAD APPROVED 190 COMPARED WITH ONLY 103 IN 1976 AND 150 IN 1977.

+THE INCREASED NUMBER OF PROJECT EXPANSION THEREFORE, BEAR AMPLE TESTIMONY THAT THE ICA HAS BEEN ACCEPTED BY THE INVESTORS AND IS NOT A DISINCENTIVE TO FURTHER INVESTMENT, AS THOSE WHO OPTED FOR EXPANSION AND REINVESTMENT ARE FROM THE EXISTING COMPANIES WHO ARE IN THE BEST POSITION TO JUDGE THE TRUE EFFECT OF THIS ACT ON THEIR INVESTMENT. + DATUK SERI DR. MAHATHIR SAID.

+TO THEM, THE ICA IS A PROTECTIVE UMBRELLA IN ENSURING NO UNAUTHORISED COMPANIES BE ESTABLISHED FROM MANUFACTURING GOODS THAT POSED UNNECESSARY COMPETITION TO THOSE LICENSED UNDER THE ACT. + HE ADDED. — BERNAMA MORE 1911/A1

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REGARDING PROJECTS WITH 100 PER CENT LOCAL EQUITY HE SAID INVESTMENTS HAD BEEN AFFECTED TO SOME EXTENT IN THE BEGINNING.

HOWEVER, STUDIES HAD SHOWN THE SLOWDOWN WAS NOT DUE TO THE ICA BUT MERELY TO THE LIMITED.

SCOPE OF OUR TECHNOLOGY KNOW-HOW AND MARKETS TO MANUFACTURE NEW PRODUCTS.

HE SAID THE CHINESE BUSINESS COMMUNITY HAD A VITAL ROLE TO PLAY IN THE ATTAINMENT OF THE NEP.

HE SAID CHINESE BUSINESSMEN HAD ALREADY INDICATED THEIR WILLINGNESS TO SHARE THEIR EXPERIENCES AND SKILLS WITH BUMIPUTRAS BY GOING INTO JOINT VENTURES WITH THEM AND ALSO EMPLOYING THEM AND GIVING THEM ON-THE-JOB TRAINING.

HE SUGGESTED THAT THIS CO-OPERATION BE EXTENDED BY OPENING THEIR GUILDS AND ASSOCIATIONS TO BUMIPUTRA BUSINESSMEN AS WELL.

—BERNAMA HM 1917